SERFF Tracking Number:	HRLV-125364093	State:	Arkansas
First Filing Company:	Harleysville Mutual Insurance Company, ...	State Tracking Number:	EFT $200
Company Tracking Number:	WCKLG092507-3		
TOI:	16.0 Workers Compensation	Sub-TOI:	16.0004 Standard WC
Product Name:	WC		
Project Name/Number:	AR-WC-Rate Rvw 01/08/		

Filing at a Glance

Companies: Harleysville Mutual Insurance Company, Harleysville Preferred Insurance Company

Product Name: WC	SERFF Tr Num: HRLV-125364093	State: Arkansas
TOI: 16.0 Workers Compensation	SERFF Status: Closed	State Tr Num: EFT $200
Sub-TOI: 16.0004 Standard WC	Co Tr Num: WCKLG092507-3	State Status: Fees verified and received
Filing Type: Rate	Co Status: Submitted to State	Reviewer(s): Betty Montesi, Carol Stiffler, Brittany Yielding
	Author: Carol Zwoyer	Disposition Date: 11/30/2007
	Date Submitted: 11/29/2007	Disposition Status: Approved
Effective Date Requested (New): 01/01/2008		Effective Date (New): 01/01/2008
Effective Date Requested (Renewal): 01/01/2008		Effective Date (Renewal):

State Filing Description:

General Information

Project Name: AR-WC-Rate Rvw 01/08	Status of Filing in Domicile:
Project Number:	Domicile Status Comments:
Reference Organization: NCCI	Reference Number: AR-2007-10
Reference Title: Voluntary Advisory Loss Costs & Rating Values	Advisory Org. Circular: AR-2007-10
Filing Status Changed: 11/30/2007	
State Status Changed: 11/30/2007	Deemer Date:
Corresponding Filing Tracking Number:	

Filing Description:

We wish to adopt the above captioned Voluntary Advisory Loss Costs and Rating Values with no change to our company Loss Cost Multiplier. In addition, we are revising our deductible credits in accordance with NCCI's revised loss elimination ratios.

Company and Contact

Filing Contact Information

SERFF Tracking Number:	HRLV-125364093	State:	Arkansas
First Filing Company:	Harleysville Mutual Insurance Company, ...	State Tracking Number:	EFT $200
Company Tracking Number:	WCKLG092507-3		
TOI:	16.0 Workers Compensation	Sub-TOI:	16.0004 Standard WC
Product Name:	WC		
Project Name/Number:	AR-WC-Rate Rvw 01/08/		

Carol Zwoyer, Senior State Filing Analyst   czwoyer@harleysvillegroup.com

355 Maple Avenue   (215) 256-5735 [Phone]

Harleysville, PA 19438-2297   (215) 256-5678[FAX]

Filing Company Information

Harleysville Mutual Insurance Company   CoCode: 14168   State of Domicile: Pennsylvania

355 Maple Avenue   Group Code: 253   Company Type:

Harleysville, PA 19438   Group Name: State ID Number:

(215) 256-5000 ext. [Phone]   FEIN Number: 123456678

Harleysville Preferred Insurance Company   CoCode: 35696   State of Domicile: Pennsylvania

355 Maple Avenue   Group Code: 253   Company Type:

Harleysville, PA 19438   Group Name: State ID Number:

(215) 256-5000 ext. [Phone]   FEIN Number: 23-2384978

SERFF Tracking Number:	HRLV-125364093	State:	Arkansas
First Filing Company:	Harleysville Mutual Insurance Company, ...	State Tracking Number:	EFT $200
Company Tracking Number:	WCKLG092507-3		
TOI:	16.0 Workers Compensation	Sub-TOI:	16.0004 Standard WC
Product Name:	WC		
Project Name/Number:	AR-WC-Rate Rvw 01/08/		

Filing Fees

Fee Required?	Yes
Fee Amount:	$200.00
Retaliatory?	No
Fee Explanation:	
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Harleysville Mutual Insurance Company	$200.00	11/29/2007	16873367
Harleysville Preferred Insurance Company	$0.00	11/29/2007	

SERFF Tracking Number:	*HRLV-125364093*	*State:*	*Arkansas*
First Filing Company:	*Harleysville Mutual Insurance Company, ...*	*State Tracking Number:*	*EFT $200*
Company Tracking Number:	*WCKLG092507-3*		
TOI:	*16.0 Workers Compensation*	*Sub-TOI:*	*16.0004 Standard WC*
Product Name:	*WC*		
Project Name/Number:	*AR-WC-Rate Rvw 01/08/*		

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Carol Stiffler	11/30/2007	11/30/2007

SERFF Tracking Number:	*HRLV-125364093*	*State:*	*Arkansas*
First Filing Company:	*Harleysville Mutual Insurance Company, ...*	*State Tracking Number:*	*EFT $200*
Company Tracking Number:	*WCKLG092507-3*		
TOI:	*16.0 Workers Compensation*	*Sub-TOI:*	*16.0004 Standard WC*
Product Name:	*WC*		
Project Name/Number:	*AR-WC-Rate Rvw 01/08/*		

Disposition

Disposition Date: 11/30/2007
Effective Date (New): 01/01/2008
Effective Date (Renewal):
Status: Approved
Comment:

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
Harleysville Mutual Insurance Company	2.400%	$20,098	175	$841,449	%	%	%
Harleysville Preferred Insurance Company	2.000%	$225	1	$11,242	%	%	%

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	0.000%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	$20,323
Effect of Rate Filing - Number of Policyholders Affected	176

SERFF Tracking Number:	*HRLV-125364093*	*State:*	*Arkansas*
First Filing Company:	*Harleysville Mutual Insurance Company, ...*	*State Tracking Number:*	*EFT $200*
Company Tracking Number:	*WCKLG092507-3*		
TOI:	*16.0 Workers Compensation*	*Sub-TOI:*	*16.0004 Standard WC*
Product Name:	*WC*		
Project Name/Number:	*AR-WC-Rate Rvw 01/08/*		

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	NAIC Loss Cost Filing Document for Workers' Compensation	Approved	Yes
Supporting Document	NAIC loss cost data entry document	Approved	Yes
Supporting Document	cover letter	Approved	Yes
Supporting Document	actuarial memo, exhibits	Approved	Yes
Rate	manual pages HMIC	Approved	Yes
Rate	manual pages HPIC	Approved	Yes
Rate	rate pages	Approved	Yes

SERFF Tracking Number:	HRLV-125364093	State:	Arkansas
First Filing Company:	Harleysville Mutual Insurance Company, ...	State Tracking Number:	EFT $200
Company Tracking Number:	WCKLG092507-3		
TOI:	16.0 Workers Compensation	Sub-TOI:	16.0004 Standard WC
Product Name:	WC		
Project Name/Number:	AR-WC-Rate Rvw 01/08/		

Rate Information

Rate data applies to filing.

Filing Method: prior approval
Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 12.200%
Effective Date of Last Rate Revision: 07/01/2007
Filing Method of Last Filing: prior approval

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
Harleysville Mutual Insurance Company	%	2.400%	$20,098	175	$841,449	%	%
Harleysville Preferred Insurance Company	%	2.000%	$225	1	$11,242	%	%

Overall Rate Information for Multiple Company Filings

Overall % Rate Indicated:
Overall Percentage Rate Impact For This Filing:
Effect of Rate Filing - Written Premium Change For This Program: $20,323

SERFF Tracking Number:	*HRLV-125364093*	*State:*	*Arkansas*
First Filing Company:	*Harleysville Mutual Insurance Company, ...*	*State Tracking Number:*	*EFT $200*
Company Tracking Number:	*WCKLG092507-3*		
TOI:	*16.0 Workers Compensation*	*Sub-TOI:*	*16.0004 Standard WC*
Product Name:	*WC*		
Project Name/Number:	*AR-WC-Rate Rvw 01/08/*		

Effect of Rate Filing - Number of Policyholders Affected: 176

SERFF Tracking Number:	*HRLV-125364093*	*State:*		*Arkansas*
First Filing Company:	*Harleysville Mutual Insurance Company, ...*	*State Tracking Number:*		*EFT $200*
Company Tracking Number:	*WCKLG092507-3*			
TOI:	*16.0 Workers Compensation*	*Sub-TOI:*		*16.0004 Standard WC*
Product Name:	*WC*			
Project Name/Number:	*AR-WC-Rate Rvw 01/08/*			

Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Number:	Attachments
Approved	manual pages HMIC	AR-E-1, AR-E-3, AR-E-4	Replacement		AR WC HMIC LOSS COSTS.pdf
Approved	manual pages HPIC	AR-PE-1, AR-PE-3, AR-PE-4	Replacement		AR WC PREF LOSS COSTS.pdf
Approved	rate pages	S-1, S-2	Replacement		RatePages2008 - RV.pdf

ARKANSAS SUPPLEMENT

LOSS COST RATING

Effective January 1, 2008

1. **Rate Development**

   The following company loss cost multipliers will be used in conjunction with the January 1, 2008 NCCI advisory loss   ∗
   costs.

Description	NCCI Group	Lost Cost Multiplier
Agriculture	01	1.40
Mining & Oil or Natural Gas	02	1.40
Quarrying, Stone Crushing	04	1.40
Food or Tobacco	05	1.30
Textiles	06	1.30
Cloth Products	07	1.30
Laundries	08	1.40
Leather	09	1.40
Rubber, Composition & Bone	10	1.40
Paper & Pulp Products	12	1.30
Wood	14	1.40
Metallurgy	16	1.30
Metal Forming	17	1.30
Machine Shops	18	1.30
Vehicles	20	1.40
Stone Products	21	1.40
Clay Products	22	1.30
Glass Products	23	1.30
Chemicals	24	1.40
Miscellaneous Manufacturing	25	1.30
Miscellaneous Construction	26	1.40
Erection	27	1.68
Shipbuilding	28	1.40
Admiralty and Federal Employee Act	29	1.40
Stevedoring & Freight	30	1.40
Railroad Operation	31	1.40
Cartage & Trucking	32	1.40
Public Utilities	33	1.40
Commercial Enterprises	34	1.30
Clerical & Professional Occupation	35	1.68
Operation & Maintenance	36	1.40
Miscellaneous Occupations	37	1.40

2. **Expense Constant**

   The expense constant is $200. This is a flat charge and is not subject to any modification.

ARKANSAS SUPPLEMENT

4. Deductible Credit Factors (Including Expense Loading) ∗

Arkansas law requires insurers to offer employers Workers Compensation Insurance with a deductible. The deductibles available and corresponding premium reductions are as follows:

Total Losses				
Deductible Amount	Hazard Groups			
	I	II	III	IV
$ 1,000	6.6%	5.2%	3.3%	2.0%
1,500	8.0	9.1	4.1	2.6
2,000	9.2	8.3	4.8	3.1
2,500	10.2	7.4	5.5	3.6
3,000	11.1	6.4	6.1	4.0
3,500	11.9	9.8	6.6	4.4
4,000	12.7	10.5	7.1	4.7
4,500	13.5	11.1	7.6	5.1
5,000	14.1	11.7	8.0	5.4

Indemnity Losses Only				
Deductible Amount	Hazard Groups			
	I	II	III	IV
$ 1,000	1.4%	1.2%	0.9%	0.6%
1,500	2.0	1.7	1.3	0.9
2,000	2.4	2.2	1.7	1.2
2,500	2.9	2.6	2.0	1.4
3,000	3.3	2.9	2.3	1.6
3,500	3.7	3.3	2.6	1.8
4,000	4.1	3.6	2.8	2.0
4,500	4.4	3.9	3.0	2.2
5,000	4.7	4.2	3.3	2.4

ARKANSAS SUPPLEMENT

* **4. Deductible Credit Factors (Including Expense Loading)** (continued)

Medical Losses Only				
Deductible Amount	**Hazard Groups**			
	I	**II**	**III**	**IV**
$ 1,000	6.3%	5.0%	3.1%	2.0%
1,500	7.6	6.1	3.8	2.4
2,000	8.6	6.9	4.4	2.9
2,500	9.5	7.6	5.0	3.2
3,000	10.2	8.3	5.4	3.6
3,500	10.9	8.9	5.8	3.8
4,000	11.5	9.3	6.2	4.1
4,500	12.0	9.8	6.6	4.4
5,000	12.5	10.3	6.9	4.6

These credits are to be applied to the premium after experience modification but before the application of any premium surcharges, premium discounts or any retrospective rating plan adjustments. They are not subject to the loss cost multiplier. Arkansas Benefits Deductible Endorsement, WC 03 06 02, is attached.

5. Premium Discount

First	$ 5,000	0.0%
Next	95,000	10.9%
Next	400,000	12.6%
Over	500,000	14.4%

(Reference NCCI Premium Discount Tables, Appendix A, Table 7 for complete premium discount percentages.)

6. Waiver Of Our Right To Recover From Others

Endorsement WC 00 03 13, Waiver of Our Right to Recover From Others Endorsement, may be used to waive the company's right to recover amounts paid under the policy from the entity named in the endorsement schedule. The endorsement applies only to specific jobs of the insured and where the insured is required by contract to obtain this waiver. There is no premium charge for this endorsement.

ARKANSAS SUPPLEMENT

LOSS COST RATING

Effective January 1, 2008

1. Rate Development

The following company loss cost multipliers will be used in conjunction with the January 1, 2008 NCCI advisory loss   *
costs.

Description	NCCI Group	Lost Cost Multiplier
Agriculture	01	1.12
Mining & Oil or Natural Gas	02	1.12
Quarrying, Stone Crushing	04	1.12
Food or Tobacco	05	1.04
Textiles	06	1.04
Cloth Products	07	1.04
Laundries	08	1.12
Leather	09	1.12
Rubber, Composition & Bone	10	1.12
Paper & Pulp Products	12	1.04
Wood	14	1.12
Metallurgy	16	1.04
Metal Forming	17	1.04
Machine Shops	18	1.04
Vehicles	20	1.12
Stone Products	21	1.12
Clay Products	22	1.04
Glass Products	23	1.04
Chemicals	24	1.12
Miscellaneous Manufacturing	25	1.04
Miscellaneous Construction	26	1.12
Erection	27	1.34
Shipbuilding	28	1.12
Admiralty and Federal Employee Act	29	1.12
Stevedoring & Freight	30	1.12
Railroad Operation	31	1.12
Cartage & Trucking	32	1.12
Public Utilities	33	1.12
Commercial Enterprises	34	1.04
Clerical & Professional Occupation	35	1.34
Operation & Maintenance	36	1.12
Miscellaneous Occupations	37	1.12

2. Expense Constant

The expense constant is $200. This is a flat charge and is not subject to any modification.

ARKANSAS SUPPLEMENT

4. Deductible Credit Factors (Including Expense Loading)   *

Arkansas law requires insurers to offer employers Workers Compensation Insurance with a deductible. The deductibles available and corresponding premium reductions are as follows:

Total Losses				
Deductible Amount	**Hazard Groups**			
	I	**II**	**III**	**IV**
$ 1,000	6.6%	5.2%	3.3%	2.0%
1,500	8.0	9.1	4.1	2.6
2,000	9.2	8.3	4.8	3.1
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4,500	13.5	11.1	7.6	5.1
5,000	14.1	11.7	8.0	5.4

Indemnity Losses Only				
Deductible Amount	**Hazard Groups**			
	I	**II**	**III**	**IV**
$ 1,000	1.4%	1.2%	0.9%	0.6%
1,500	2.0	1.7	1.3	0.9
2,000	2.4	2.2	1.7	1.2
2,500	2.9	2.6	2.0	1.4
3,000	3.3	2.9	2.3	1.6
3,500	3.7	3.3	2.6	1.8
4,000	4.1	3.6	2.8	2.0
4,500	4.4	3.9	3.0	2.2
5,000	4.7	4.2	3.3	2.4

Harleysville Preferred Insurance Company

SUPPLEMENT to the
NCCI Workers Compensation
and Employers Liability
Insurance Manual

ARKANSAS SUPPLEMENT

* **4. Deductible Credit Factors (Including Expense Loading)** (continued)

Medical Losses Only				
Deductible Amount	**Hazard Groups**			
	I	**II**	**III**	**IV**
$ 1,000	6.3%	5.0%	3.1%	2.0%
1,500	7.6	6.1	3.8	2.4
2,000	8.6	6.9	4.4	2.9
2,500	9.5	7.6	5.0	3.2
3,000	10.2	8.3	5.4	3.6
3,500	10.9	8.9	5.8	3.8
4,000	11.5	9.3	6.2	4.1
4,500	12.0	9.8	6.6	4.4
5,000	12.5	10.3	6.9	4.6

These credits are to be applied to the premium after experience modification but before the application of any premium surcharges, premium discounts or any retrospective rating plan adjustments. They are not subject to the loss cost multiplier. Arkansas Benefits Deductible Endorsement, WC 03 06 02, is attached.

5. Premium Discount

First $ 5,000   0.0%
Next   95,000   10.9%
Next   400,000   12.6%
Over   500,000   14.4%

(Reference NCCI Premium Discount Tables, Appendix A, Table 7 for complete premium discount percentages.)

6. Waiver Of Our Right To Recover From Others

Endorsement WC 00 03 13, Waiver of Our Right to Recover From Others Endorsement, may be used to waive the company's right to recover amounts paid under the policy from the entity named in the endorsement schedule. The endorsement applies only to specific jobs of the insured and where the insured is required by contract to obtain this waiver. There is no premium charge for this endorsement.

Thirteenth Reprint　　　　　*Effective January 1, 2008*　　　　　**Page S1**

CLASS CODE	RATE	CLASS CODE	RATE	CLASS CODE	RATE	CLASS CODE	RATE	CLASS CODE	RATE	CLASS CODE	RATE	CLASS CODE	RATE
0005	5.01	2001	2.34	2651	2.34	3169	2.58	3827	1.16	4511	0.88	5462	7.95
0008	3.07	2002	3.25	2660	1.65	3175D	2.84	3830	1.21	4557	2.33	5472	6.57
0016	6.45	2003	2.73	2670	2.45	3179	2.32	3851	3.00	4558	2.40	5473	6.69
0034	4.40	2014	5.14	2683	2.12	3180	2.07	3865	1.35	4561	2.43	5474	9.31
0035	2.56	2016	2.36	2688	3.03	3188	1.38	3881	3.98	4568	3.42	5478	5.71
0036	4.25	2021	3.26	2701	8.25	3220	1.96	4000	9.45	4581	2.15	5479	13.34
0037	4.60	2039	4.48	2702X	28.31	3223	3.16	4021	4.38	4583	5.85	5480	13.03
0042	7.45	2041	3.85	2710	8.72	3224	2.59	4024E	1.66	4611	1.20	5491	2.79
0050	6.91	2065	1.19	2714	5.25	3227	1.73	4034	8.79	4635	4.90	5506	5.71
0059D	0.31	2070	4.90	2719X	11.44	3240	3.25	4036	3.37	4653	1.72	5507	7.46
0065D	0.06	2081	4.23	2731	3.84	3241	2.88	4038	2.70	4665	8.72	5508D	9.49
0066D	0.06	2089	2.64	2735	3.12	3255	2.55	4053	3.15	4670	5.60	5535	8.57
0067D	0.06	2095	3.14	2759	7.78	3257	2.62	4061	4.22	4683	5.94	5536	----
0079	3.31	2105	2.42	2790	1.47	3270	4.29	4062	3.06	4686	1.47	5537	7.16
0083	8.69	2110	2.18	2802	6.78	3300	3.59	4101	1.93	4692	0.36	5538	8.40
0106	14.73	2111	1.97	2812	4.54	3303	3.53	4111	2.27	4693	0.85	5551	18.69
0113	4.92	2112	2.51	2835	1.73	3307	3.47	4112	0.93	4703	2.26	5606	2.52
0170	2.73	2114	3.01	2836	2.47	3315	2.59	4113	1.64	4717	3.10	5610	8.86
0251	6.75	2121	1.92	2841	4.31	3334	2.47	4114	2.36	4720	5.07	5645	14.80
0400	8.23	2130	3.69	2881	2.38	3336	2.40	4130	5.48	4740	1.92	5651	11.99
0401	12.89	2131	1.73	2883	4.51	3365	12.37	4131	2.64	4741	2.29	5703	128.99
0771N	0.32	2143	2.14	2913	3.25	3372	2.66	4133	2.52	4751	2.43	5705	6.50
0908P	130.83	2150	----	2915	4.03	3373	3.32	4150	1.27	4771N	2.27	5951	0.48
0909P	----	2156	3.70	2916	2.57	3383	0.95	4206	3.89	4777	2.26	6003	13.34
0912P	----	2157	3.70	2923	2.13	3385	0.86	4207	1.12	4825	0.97	6005	8.79
0913P	349.86	2172	2.10	2942	2.36	3400	2.52	4239	1.30	4828	1.83	6017	5.55
0917	3.87	2174	2.73	2960	2.95	3507	2.85	4240	2.86	4829	1.99	6018	2.83
1005*	12.51	2211	5.12	3004	2.51	3515	2.30	4243	1.40	4902	1.67	6045	3.79
1016*	46.29	2220	1.95	3018	3.01	3548	1.22	4244	2.30	4923	1.11	6204	12.39
1164E	9.16	2286	1.44	3022	3.23	3559	2.11	4250	1.45	5020	7.36	6206	9.54
1165E	8.74	2288	4.49	3027	2.93	3574	1.25	4251	1.62	5022	8.04	6213	14.77
1320	3.69	2300	2.10	3028	3.08	3581	1.18	4263	2.33	5037	22.43	6214	3.56
1322	14.86	2302	1.84	3030	4.07	3612	2.16	4273	1.59	5040	26.21	6216	6.73
1430	5.12	2305	2.42	3040	4.04	3620	5.95	4279	1.73	5057	20.64	6217	6.28
1438	2.63	2361	1.32	3041	3.49	3629	1.86	4282	2.12	5059	29.62	6229	5.26
1452	1.81	2362	1.77	3042	3.16	3632	3.01	4283	2.29	5069	28.48	6233	9.67
1463	14.71	2380	6.03	3064	4.52	3634	1.86	4299	1.47	5102	5.48	6235	14.62
1472	4.48	2386	1.18	3066	2.90	3635	1.74	4304	2.71	5146	6.48	6236	16.70
1624E	9.68	2388	1.86	3069	8.57	3638	1.55	4307	2.63	5160	5.76	6237	4.58
1642	4.85	2402	2.25	3076	2.70	3642	0.90	4308	----	5183	4.17	6251D	9.95
1654	10.47	2413	1.79	3081D	2.48	3643	2.93	4351	1.07	5188	6.95	6252D	9.02
1655	5.84	2416	1.86	3082D	3.93	3647	3.15	4352	1.00	5190	4.06	6260D	6.84
1699	2.70	2417	1.73	3085D	2.90	3648	2.06	4360	0.78	5191X	2.27	6306	7.07
1701	4.49	2501	1.47	3110	2.96	3681	1.37	4361	1.72	5192	5.12	6319	7.07
1710E	8.40	2503	1.32	3111	2.95	3685	1.79	4362	1.05	5213	9.85	6325	6.57
1741E	2.24	2534	2.33	3113	2.11	3719	4.33	4410	3.07	5215	5.16	6400	8.82
1745X	3.69	2570	4.73	3114	2.49	3724	8.54	4420	3.65	5221	5.24	6504	2.36
1747	3.08	2576	----	3118	1.40	3726	4.56	4431	1.54	5222	12.91	6702M*	9.40
1748	7.21	2578	----	3119	1.05	3803	1.81	4432	1.66	5223	7.05	6703M*	16.54
1803D	6.91	2585	2.79	3122	1.12	3807	1.56	4439	2.38	5348	4.92	6704M*	10.44
1852D	2.83	2586	1.06	3126	1.92	3808	2.87	4452	3.59	5402	6.46	6801F	18.04
1853	3.37	2587	2.11	3131	0.88	3821	4.11	4459	2.21	5403	13.16	6811	7.21
1860	1.48	2589	1.68	3132	2.00	3822	2.88	4470	2.38	5437	6.03	6824F	31.18
1924	3.14	2600	5.07	3145	1.86	3824	5.06	4484	2.45	5443	4.80	6826F	15.09
1925	2.59	2623	2.63	3146	2.51	3826	1.01	4493	2.95	5445	6.10	6834	5.39

*, # Refer to Footnotes Page for additional information on this class code.

Rates include all expense provisions. (Loss Cost Multiplier has been applied.)

CLASS CODE	RATE	CLASS CODE	RATE	CLASS CODE	RATE	CLASS CODE	RATE	CLASS CODE	RATE	CLASS CODE	RATE	CLASS CODE	RATE
6836	11.81	7515	1.40	8235	4.03	9012	1.78						
6843F	20.73	7520	3.88	8263	9.04	9014	2.48						
6845F	24.40	7538	12.42	8264	4.01	9015X	2.94						
6854	6.80	7539	7.89	8265	9.52	9016	4.90						
6872F	28.17	7540	5.24	8279	10.29	9019	3.54						
6874F	50.05	7580	2.65	8288	6.67	9033	1.93						
6882	7.79	7590	5.64	8291	2.42	9040*	3.72						
6884	17.09	7600	3.83	8292	2.95	9052	2.27						
7016M	7.07	7601	15.36	8293	8.14	9058	1.82						
7024M	7.86	7605	4.30	8295X	5.90	9059	3.13						
7038M	8.40	7610	0.47	8304	7.04	9060	1.91						
7046M	36.98	7611	7.61	8350	5.15	9061	1.46						
7047M	12.46	7612	21.18	8380	3.48	9063	1.16						
7050M	14.79	7613	6.09	8381	1.38	9077F	3.93						
7090M	9.33	7704	----	8385	2.66	9082	1.75						
7098M	41.10	7705	3.54	8392	3.43	9083	1.56						
7099M	65.14	7710	7.03	8393	1.62	9084	2.16						
7133	4.49	7711	7.03	8500	5.00	9089	1.40						
7151M	5.46	7720X	2.91	8601	0.90	9093	1.56						
7152M	9.61	7855	7.73	8606	4.64	9101	3.25						
7153M	6.07	8001	2.41	8709F	10.56	9102	3.19						
7222	12.82	8002	3.16	8719	2.31	9110	1.14						
7228X	10.04	8006	2.22	8720	1.54	9154	3.17						
7229X	9.99	8008	1.15	8721	0.52	9156	1.81						
7230	4.89	8010	2.12	8726F	12.55	9170	2.48						
7231	10.79	8013	0.49	8734M	0.90	9178	26.56						
7232	18.37	8015	0.69	8737M	0.81	9179	46.36						
7309F	34.73	8017	1.18	8738M	1.41	9180	4.60						
7313F	8.00	8018X*	2.64	8742X	0.66	9182	2.84						
7317F	12.82	8021	1.70	8745	4.62	9186	57.79						
7327F	27.94	8031	3.08	8748	0.54	9220	4.01						
7333M	9.52	8032	1.59	8755	0.38	9402	5.59						
7335M	10.58	8033	1.93	8799	1.25	9403	6.40						
7337M	16.77	8039	1.44	8800	1.25	9410	2.54						
7350F	30.34	8044	3.16	8803	0.11	9501	4.78						
7360	7.57	8045	0.45	8805M	0.43	9505	3.51						
7370	6.55	8046	2.81	8810	0.32	9516	3.65						
7380X	5.32	8047	1.21	8814M	0.39	9519	3.19						
7382	3.60	8050	----	8815M	0.70	9521	5.23						
7390	4.55	8058	2.84	8820	0.29	9522	1.52						
7394M	19.10	8072	0.64	8824	3.67	9534	9.68						
7395M	21.21	8102	2.62	8825	3.04	9554	11.19						
7398M	33.62	8103	4.62	8826	2.92	9586	0.78						
7403X	3.00	8105	4.67	8829	3.47	9600	1.60						
7405N	1.59	8106	4.36	8831	3.85	9620	1.29						
7409*	----	8107	4.01	8832	0.36	9740	1.47						
7420X*	22.89	8111	3.12	8833X*	1.45	9741	1.47						
7421	2.38	8116	4.52	8835	2.79								
7422	3.20	8203	6.11	8842	----								
7423X	3.00	8204	6.17	8861	1.14								
7425	3.70	8209	3.03	8864	----								
7431N	2.06	8215	5.43	8868	0.52								
7445N	0.85	8227	5.62	8869	0.79								
7453N	1.10	8232	6.37	8871	0.32								
7502	3.79	8233	4.81	8901	0.38								

*, # Refer to Footnotes Page for additional information on this class code.

HARLEYSVILLE PREFERRED INSURANCE COMPANY RATES - NOT LOSS COSTS　　　ARKANSAS

Rates include all expense provisions. (Loss Cost Multiplier has been applied.)

CLASS CODE	RATE	CLASS CODE	RATE	CLASS CODE	RATE	CLASS CODE	RATE	CLASS CODE	RATE	CLASS CODE	RATE	CLASS CODE	RATE
0005	4.02	2001	1.88	2651	1.88	3169	2.07	3827	0.94	4511	0.71	5462	6.39
0008	2.47	2002	2.61	2660	1.32	3175D	2.28	3830	0.97	4557	1.87	5472	5.28
0016	5.18	2003	2.19	2670	1.97	3179	1.86	3851	2.41	4558	1.93	5473	5.39
0034	3.53	2014	4.13	2683	1.70	3180	1.66	3865	1.09	4561	1.96	5474	7.49
0035	2.05	2016	1.89	2688	2.43	3188	1.11	3881	3.20	4568	2.75	5478	4.59
0036	3.41	2021	2.62	2701	6.62	3220	1.57	4000	7.60	4581	1.73	5479	10.73
0037	3.69	2039	3.60	2702X	22.73	3223	2.54	4021	3.52	4583	4.71	5480	10.48
0042	5.98	2041	3.09	2710	7.00	3224	2.08	4024E	1.33	4611	0.96	5491	2.25
0050	5.56	2065	0.96	2714	4.21	3227	1.39	4034	7.07	4635	3.95	5506	4.59
0059D	0.25	2070	3.94	2719X	9.18	3240	2.61	4036	2.71	4653	1.38	5507	6.00
0065D	0.05	2081	3.40	2731	3.08	3241	2.31	4038	2.17	4665	7.01	5508D	7.63
0066D	0.05	2089	2.12	2735	2.50	3255	2.05	4053	2.53	4670	4.51	5535	6.90
0067D	0.05	2095	2.52	2759	6.24	3257	2.10	4061	3.39	4683	4.78	5536	----
0079	2.66	2105	1.95	2790	1.18	3270	3.44	4062	2.45	4686	1.18	5537	5.76
0083	6.97	2110	1.75	2802	5.44	3300	2.88	4101	1.55	4692	0.29	5538	6.75
0106	11.82	2111	1.58	2812	3.65	3303	2.84	4111	1.83	4693	0.68	5551	15.03
0113	3.95	2112	2.01	2835	1.39	3307	2.78	4112	0.75	4703	1.82	5606	2.03
0170	2.19	2114	2.42	2836	1.98	3315	2.08	4113	1.32	4717	2.49	5610	7.13
0251	5.43	2121	1.54	2841	3.46	3334	1.98	4114	1.89	4720	4.08	5645	11.91
0400	6.61	2130	2.97	2881	1.91	3336	1.93	4130	4.40	4740	1.54	5651	9.65
0401	10.35	2131	1.39	2883	3.62	3365	9.95	4131	2.12	4741	1.84	5703	103.77
0771N	0.26	2143	1.72	2913	2.61	3372	2.13	4133	2.02	4751	1.96	5705	5.23
0908P	105.02	2150	----	2915	3.23	3373	2.66	4150	1.02	4771N	1.83	5951	0.39
0909P	----	2156	2.97	2916	2.07	3383	0.76	4206	3.12	4777	1.81	6003	10.73
0912P	----	2157	2.97	2923	1.71	3385	0.69	4207	0.90	4825	0.78	6005	7.07
0913P	280.84	2172	1.68	2942	1.89	3400	2.02	4239	1.05	4828	1.47	6017	4.46
0917	3.10	2174	2.19	2960	2.37	3507	2.29	4240	2.30	4829	1.60	6018	2.28
1005*	10.07	2211	4.11	3004	2.01	3515	1.85	4243	1.12	4902	1.34	6045	3.05
1016*	37.24	2220	1.56	3018	2.42	3548	0.98	4244	1.85	4923	0.89	6204	9.96
1164E	7.37	2286	1.16	3022	2.60	3559	1.69	4250	1.17	5020	5.92	6206	7.68
1165E	7.03	2288	3.61	3027	2.35	3574	1.00	4251	1.30	5022	6.47	6213	11.88
1320	2.97	2300	1.68	3028	2.48	3581	0.95	4263	1.87	5037	18.04	6214	2.87
1322	11.95	2302	1.47	3030	3.27	3612	1.74	4273	1.28	5040	21.08	6216	5.41
1430	4.11	2305	1.95	3040	3.25	3620	4.77	4279	1.39	5057	16.60	6217	5.05
1438	2.11	2361	1.06	3041	2.81	3629	1.50	4282	1.71	5059	23.83	6229	4.23
1452	1.45	2362	1.42	3042	2.54	3632	2.42	4283	1.84	5069	22.91	6233	7.78
1463	11.84	2380	4.84	3064	3.63	3634	1.50	4299	1.18	5102	4.41	6235	11.76
1472	3.60	2386	0.95	3066	2.33	3635	1.40	4304	2.18	5146	5.21	6236	13.44
1624E	7.79	2388	1.50	3069	6.90	3638	1.24	4307	2.11	5160	4.64	6237	3.69
1642	3.90	2402	1.80	3076	2.17	3642	0.73	4308	----	5183	3.36	6251D	8.01
1654	8.42	2413	1.44	3081D	1.99	3643	2.35	4351	0.86	5188	5.59	6252D	7.26
1655	4.69	2416	1.50	3082D	3.16	3647	2.53	4352	0.80	5190	3.27	6260D	5.50
1699	2.17	2417	1.39	3085D	2.33	3648	1.65	4360	0.63	5191X	1.83	6306	5.69
1701	3.61	2501	1.18	3110	2.38	3681	1.10	4361	1.38	5192	4.12	6319	5.69
1710E	6.75	2503	1.06	3111	2.37	3685	1.44	4362	0.85	5213	7.92	6325	5.28
1741E	1.80	2534	1.87	3113	1.69	3719	3.48	4410	2.47	5215	4.15	6400	7.10
1745X	2.97	2570	3.80	3114	2.00	3724	6.87	4420	2.93	5221	4.22	6504	1.89
1747	2.48	2576	----	3118	1.12	3726	3.67	4431	1.24	5222	10.38	6702M*	7.56
1748	5.80	2578	----	3119	0.85	3803	1.45	4432	1.33	5223	5.67	6703M*	13.31
1803D	5.56	2585	2.24	3122	0.90	3807	1.25	4439	1.92	5348	3.96	6704M*	8.40
1852D	2.28	2586	0.85	3126	1.54	3808	2.30	4452	2.88	5402	5.20	6801F	14.52
1853	2.71	2587	1.69	3131	0.70	3821	3.30	4459	1.77	5403	10.58	6811	5.80
1860	1.19	2589	1.35	3132	1.61	3822	2.31	4470	1.91	5437	4.85	6824F	25.08
1924	2.52	2600	4.07	3145	1.50	3824	4.06	4484	1.97	5443	3.86	6826F	12.14
1925	2.08	2623	2.11	3146	2.01	3826	0.81	4493	2.37	5445	4.91	6834	4.33

*, # Refer to Footnotes Page for additional information on this class code.

Rates include all expense provisions. (Loss Cost Multiplier has been applied.)

CLASS CODE	RATE	CLASS CODE	RATE	CLASS CODE	RATE	CLASS CODE	RATE	CLASS CODE	RATE	CLASS CODE	RATE	CLASS CODE	RATE
6836	9.50	7515	1.12	8235	3.23	9012	1.43						
6843F	16.68	7520	3.12	8263	7.26	9014	1.99						
6845F	19.63	7538	9.99	8264	3.22	9015X	2.36						
6854	5.47	7539	6.35	8265	7.65	9016	3.94						
6872F	22.67	7540	4.22	8279	8.26	9019	2.84						
6874F	40.26	7580	2.13	8288	5.36	9033	1.55						
6882	6.26	7590	4.54	8291	1.95	9040*	2.99						
6884	13.75	7600	3.08	8292	2.37	9052	1.83						
7016M	5.69	7601	12.36	8293	6.53	9058	1.46						
7024M	6.32	7605	3.46	8295X	4.74	9059	2.51						
7038M	6.75	7610	0.37	8304	5.65	9060	1.53						
7046M	29.75	7611	6.12	8350	4.14	9061	1.17						
7047M	10.02	7612	17.04	8380	2.79	9063	0.93						
7050M	11.89	7613	4.90	8381	1.11	9077F	3.16						
7090M	7.50	7704	----	8385	2.13	9082	1.40						
7098M	33.06	7705	2.85	8392	2.75	9083	1.25						
7099M	52.40	7710	5.64	8393	1.30	9084	1.73						
7133	3.61	7711	5.64	8500	4.02	9089	1.12						
7151M	4.39	7720X	2.34	8601	0.72	9093	1.25						
7152M	7.73	7855	6.22	8606	3.73	9101	2.61						
7153M	4.88	8001	1.94	8709F	8.50	9102	2.56						
7222	10.31	8002	2.54	8719	1.86	9110	0.91						
7228X	8.08	8006	1.78	8720	1.24	9154	2.55						
7229X	8.04	8008	0.92	8721	0.42	9156	1.45						
7230	3.93	8010	1.71	8726F	10.09	9170	1.99						
7231	8.68	8013	0.40	8734M	0.72	9178	21.32						
7232	14.77	8015	0.55	8737M	0.65	9179	37.22						
7309F	27.94	8017	0.95	8738M	1.14	9180	3.69						
7313F	6.44	8018X*	2.12	8742X	0.53	9182	2.28						
7317F	10.31	8021	1.36	8745	3.71	9186	46.39						
7327F	22.48	8031	2.48	8748	0.43	9220	3.22						
7333M	7.66	8032	1.28	8755	0.30	9402	4.48						
7335M	8.51	8033	1.55	8799	1.01	9403	5.14						
7337M	13.49	8039	1.16	8800	1.01	9410	2.04						
7350F	24.41	8044	2.54	8803	0.09	9501	3.84						
7360	6.09	8045	0.36	8805M	0.35	9505	2.82						
7370	5.27	8046	2.26	8810	0.26	9516	2.94						
7380X	4.28	8047	0.97	8814M	0.32	9519	2.56						
7382	2.89	8050	----	8815M	0.56	9521	4.20						
7390	3.66	8058	2.28	8820	0.23	9522	1.22						
7394M	15.36	8072	0.52	8824	2.95	9534	7.79						
7395M	17.06	8102	2.10	8825	2.45	9554	9.00						
7398M	27.04	8103	3.71	8826	2.35	9586	0.63						
7403X	2.41	8105	3.75	8829	2.79	9600	1.29						
7405N	1.27	8106	3.50	8831	3.10	9620	1.04						
7409*	----	8107	3.22	8832	0.29	9740	1.18						
7420X*	18.37	8111	2.51	8833X*	1.17	9741	1.18						
7421	1.91	8116	3.63	8835	2.25								
7422	2.58	8203	4.91	8842	----								
7423X	2.41	8204	4.95	8861	0.91								
7425	2.97	8209	2.43	8864	----								
7431N	1.65	8215	4.36	8868	0.42								
7445N	0.68	8227	4.52	8869	0.64								
7453N	0.89	8232	5.12	8871	0.26								
7502	3.05	8233	3.86	8901	0.30								

*, # Refer to Footnotes Page for additional information on this class code.

SERFF Tracking Number:	*HRLV-125364093*	*State:*	*Arkansas*
First Filing Company:	*Harleysville Mutual Insurance Company, ...*	*State Tracking Number:*	*EFT $200*
Company Tracking Number:	*WCKLG092507-3*		
TOI:	*16.0 Workers Compensation*	*Sub-TOI:*	*16.0004 Standard WC*
Product Name:	*WC*		
Project Name/Number:	*AR-WC-Rate Rvw 01/08/*		

Supporting Document Schedules

	Review Status:	
Satisfied -Name: Uniform Transmittal Document-Property & Casualty	Approved	11/30/2007
Comments:		
Attachment: NAIC 2007.pdf		

	Review Status:	
Satisfied -Name: NAIC Loss Cost Filing Document for Workers' Compensation	Approved	11/30/2007
Comments:		
Attachment: Arkansas Filing Forms.pdf		

	Review Status:	
Satisfied -Name: NAIC loss cost data entry document	Approved	11/30/2007
Comments:		
Attachment: AR WC Filing Form Abstract.pdf		

	Review Status:	
Satisfied -Name: cover letter	Approved	11/30/2007
Comments:		
Attachment: WC rate 2008.pdf		

	Review Status:	
Satisfied -Name: actuarial memo, exhibits	Approved	11/30/2007
Comments:		
Attachment: Explanatory memo & exhibits.pdf		

Property & Casualty Transmittal Document

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3.	Group Name			Group NAIC #

4.	Company Name(s)	Domicile	NAIC #	FEIN #	State #
	Harleysville Mutual Insurance Company	PA	14168	23-0902325	
	Harleysville Preferred Insurance Company	PA	35696	23-2384978	

5.	Company Tracking Number	125364093

Contact Info of Filer(s) or Corporate Officer(s)   [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Carol Zwoyer 355 Maple Avenue Harleysville, PA 19438	Senior State Filing Analyst	800-523-6344 ext. 5735	215-256-5678	czwoyer@harleysvillegroup.com

7.	Signature of authorized filer	*Carol Zwoyer*
8.	Please print name of authorized filer	Carol Zwoyer

Filing information (see General Instructions for descriptions of these fields)

9.	**Type of Insurance (TOI)**	Workers Compensation
10.	**Sub-Type of Insurance (Sub-TOI)**	
11.	**State Specific Product code(s)(if applicable)[See State Specific Requirements]**	
12.	**Company Program Title** (Marketing title)	
13.	**Filing Type**	☒ Rate/Loss Cost ☒ Rules ☐ Rates/Rules ☐ Forms ☐ Combination Rates/Rules/Forms ☐ Withdrawal ☐ Other (give description)
14.	**Effective Date(s) Requested**	New: 01/01/2008 Renewal: 01/01/2008

Property & Casualty Transmittal Document---

15.	**Reference Filing?**	☒ Yes ☐ No
16.	**Reference Organization** (if applicable)	NCCI
17.	**Reference Organization # & Title**	AR-2007-10 Arkansas approved voluntary advisory loss costs and rating values
18.	**Company's Date of Filing**	11/29/07
19.	**Status of filing in domicile**	☐ Not Filed ☐ Pending ☐ Authorized ☐ Disapproved

20.	**This filing transmittal is part of Company Tracking #**	125364093

21.	**Filing Description** [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]

With this filing it is our intent to submit for your review and approval a revision to applicable to our Workers Compensation program which results in an overall impact of +2.4%.

We wish to adopt the above captioned Voluntary Advisory Loss Costs and Rating Values with no change to our company Loss Cost Multiplier. In addition, we are revising our deductible credits in accordance with NCCI's revised loss elimination ratios.

Simultaneously under separate cover we are submitting a form filing to coincide with this rate filing.

Rule of application: These changes shall be applicable to all policies effective on or after January 1, 2008.

22.	**Filing Fees** (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]

Check #: EFT
Amount: 200.00

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

***Refer to each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

WORKERS COMPENSATION INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION
PROSPECTIVE LOSS COSTS REFERENCE
FILING ADOPTION FORM

Page 1 of 4

1.   Insurer Name   Harleysville Mutual Insurance Company

      Address   355 Maple Ave
                          Harleysville, PA 19438-2297

      Person Responsible for Filing   Carol Zwoyer

      Title Compliance Analyst   Telephone No.   (215) 256-5735

2.   Insurer NAIC No.   14168   Group No.   0253

3.   Line of Insurance   Workers Compensation

4.   Advisory Organization   NCCI

5.   Advisory Organization Reference Filing No.   AR-2007-10

6.   The above insurer hereby declares that it is a member, subscriber or service purchaser of the
      named advisory organization for this line of insurance. The insurer hereby files (to be deemed to
      have independently submitted as its own filing) the prospective loss costs in the captioned
      Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the
      loss cost multipliers and, if utilized, the expense constants specified in the attachments.

7.   Proposed Rate Level Change   +2.4%   Effective Date   1/1/2008
 b.   Proposed Premium Level Change   +2.4%   Effective Date   1/1/2008
8.   Prior Rate Level Change   -12.3%   Effective Date   7/1/2007
 b.   Prior Premium Level Change   -12.3%   Effective Date   7/1/2007
9.   Attach "Summary of Supporting Information Form"
      (Use a separate Summary for each insurer-selected loss cost multiplier.)

10.   Check one of the following:

      ☑   The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be
          applicable to future revisions of the advisory organization's prospective loss costs for this line of
          insurance. The insurer's rates will be the combination of the advisory organization's prospective
          loss costs and the insurer's loss cost multipliers and, if utilized, expense constants specified
          in the attachments. The rates will apply to policies written on or after the effective date of the
          advisory organization's prospective loss costs. This authorization is effective until disapproved
          by the Commissioner, or until amended or withdrawn by the insurer.

      ☐   The insurer hereby files to have its loss cost multipliers and, if utilitzed, expense constants, be
          applicable to only the above Advisory Organization Reference Filing.

Insurer Name: Harleysville Mutual Insurance Company   Date: November 19, 2007

NAIC No.   14168   Group No.   0253

INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE LOSS COSTS
SUMMARY OF SUPPORTING INFORMATION FORM
CALCULATION OF COMPANY LOSS COST MULTIPLIER

1. Does this filing apply to all classes contained in Item 4 of the Reference Filing Adoption form?
   _____ Yes   __x__ No   If No, for each affected class, attach Page 2 of Form
   RF-WC with appropriate justification
   [NCCI Industry Group - Not Otherwise Identified]

2. Loss Cost Modification:
   A.   The insurer hereby files to adopt the prospective loss costs in the captioned reference filing: (Check One)
   ☐   Without Modification (factor = 1.000)
   ☑   With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.)
   B.   Loss Cost Modification Expressed as a Factor: (See Examples Below)   1.040

3. Development of Expected Loss Ratio and Loss Adjustment Expense (Target Cost) Ratio. (Attach exhibit detailing insurer expense data impact of premium discount plans, and/or other supporting information.)

		Selected Provisions
A.	Total Production Expense	21.4%
B.	General Expense	1.1%
C.	Taxes, Licenses & Fees	3.8%
D.	Underwriting Profit & Contingencies*	-2.8%
E.	Other (explain)**	3.0%
F.	TOTAL	26.5%

   * Explain how investment income is taken into account.
   ** WC Fund, Second Injury Fund, Death & Permanent Total Disability Fund

4. A.   Expected Loss Ratio: ELR = 100% - 3F = A   73.5%
   B.   ELR in Decimal Form =   0.735

5. Overall Impact of Expense Constant and Minimum Premiums:
   (a 2.3% impact would be expressed as 1.023)   1.031

6. Overall impact of Size-of-Risk Discounts plus Expense Graduation
   Recognition in Retrospective Rating:
   (An 8.67% average discount would be expressed as 0.914)   0.951

7. Company Formula Loss Cost Multiplier: (2B / [6-3F] x 5) =   1.470

8. Company Selected Loss Cost Multiplier =   1.47
   Explain any differences between 7 and 8:
   _____

9. Are you amending your minimum premium formula? If yes, attach documentation, incl Yes   No X
   including rate level impact as well as change in multipliers, expense constants,
   maximum, minimums, etc.

10. Are you changing your premium discount schedules? If yes, attach schedules and support,
    Detailing premium or rate level change   Yes   No X

Insurer Name: Harleysville Mutual Insurance Company   Date: November 19, 2007

NAIC No.   14168   Group No.   0253

INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE LOSS COSTS
SUMMARY OF SUPPORTING INFORMATION FORM
CALCULATION OF COMPANY LOSS COST MULTIPLIER

1.   Does this filing apply to all classes contained in Item 4 of the Reference Filing Adoption form?
              _____ Yes   __x__ No   If No, for each affected class, attach Page 2 of Form
      RF-WC with appropriate justification
                  [NCCI Industry Groups 05, 06, 07, 12, 16, 17, 18, 22, 23, 25, 34]

2.   Loss Cost Modification:
      A.   The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:
              (Check One)
              ☐   Without Modification (factor = 1.000)
              ☑   With the following modification(s). (Cite the nature and percent modification, and attach
                  supporting data and/or rationale for the modification.)
      B.   Loss Cost Modification Expressed as a Factor: (See Examples Below)   0.954

3.   Development of Expected Loss Ratio and Loss Adjustment Expense (Target Cost) Ratio. (Attach
      exhibit detailing insurer expense data impact of premium discount plans, and/or other supporting
      information.)

		Selected Provisions
A.	Total Production Expense	21.4%
B.	General Expense	1.1%
C.	Taxes, Licenses & Fees	3.8%
D.	Underwriting Profit & Contingencies*	-2.8%
E.	Other (explain)**	3.0%
F.	TOTAL	26.5%

              * Explain how investment income is taken into account.
              ** WC Fund, Second Injury Fund, Death & Permanent Total Disability Fund

4.   A.   Expected Loss Ratio: ELR = 100% - 3F = A   73.5%
      B.   ELR in Decimal Form =   0.735
5.   Overall Impact of Expense Constant and Minimum Premiums:
      (a 2.3% impact would be expressed as 1.023)   1.030
6.   Overall impact of Size-of-Risk Discounts plus Expense Graduation
      Recognition in Retrospective Rating:
      (An 8.67% average discount would be expressed as 0.914)   0.941
7.   Company Formula Loss Cost Multiplier: (2B / [6-3F] x 5) =   1.370

8.   Company Selected Loss Cost Multiplier =   1.37
      Explain any differences between 7 and 8:
      _____

9. Are you amending your minimum premium formula? If yes, attach documentation, incl Yes   No X
including rate level impact as well as change in multipliers, expense constants,
maximum, minimums, etc.

10.   Are you changing your premium discount schedules? If yes, attach schedules and support,
      Detailing premium or rate level change   Yes   No X

Insurer Name: Harleysville Mutual Insurance Company   Date: November 19, 2007

NAIC No.   14168   Group No.   0253

INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE LOSS COSTS
SUMMARY OF SUPPORTING INFORMATION FORM
CALCULATION OF COMPANY LOSS COST MULTIPLIER

1.   Does this filing apply to all classes contained in Item 4 of the Reference Filing Adoption form?
          _____ Yes   __x__ No   If No, for each affected class, attach Page 2 of Form
     RF-WC with appropriate justification
          [NCCI Industry Groups 27, 35]

2.   Loss Cost Modification:
     A.   The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:
                 (Check One)
          ☐   Without Modification (factor = 1.000)
          ☑   With the following modification(s). (Cite the nature and percent modification, and attach
                 supporting data and/or rationale for the modification.)
     B.   Loss Cost Modification Expressed as a Factor: (See Examples Below)   1.246

3.   Development of Expected Loss Ratio and Loss Adjustment Expense (Target Cost) Ratio. (Attach
     exhibit detailing insurer expense data impact of premium discount plans, and/or other supporting
     information.)

		Selected Provisions
A.	Total Production Expense	21.4%
B.	General Expense	1.1%
C.	Taxes, Licenses & Fees	3.8%
D.	Underwriting Profit & Contingencies*	-2.8%
E.	Other (explain)**	3.0%
F.	TOTAL	26.5%

          * Explain how investment income is taken into account.
          ** WC Fund, Second Injury Fund, Death & Permanent Total Disability Fund

4.   A.   Expected Loss Ratio: ELR = 100% - 3F = A   73.5%
     B.   ELR in Decimal Form =   0.735

5.   Overall Impact of Expense Constant and Minimum Premiums:
     (a 2.3% impact would be expressed as 1.023)   1.030

6.   Overall impact of Size-of-Risk Discounts plus Expense Graduation
     Recognition in Retrospective Rating:
     (An 8.67% average discount would be expressed as 0.914)   0.941

7.   Company Formula Loss Cost Multiplier: (2B / [6-3F] x 5) =   1.790

8.   Company Selected Loss Cost Multiplier =   1.79
     Explain any differences between 7 and 8:
     _____

9.   Are you amending your minimum premium formula? If yes, attach documentation, incl Yes   No X
     including rate level impact as well as change in multipliers, expense constants,
     maximum, minimums, etc.

10. Are you changing your premium discount schedules? If yes, attach schedules and support,
     Detailing premium or rate level change   Yes   No X

ARKANSAS INSURANCE DEPARTMENT

Form RF-2
Rev. 4/96

WORKERS COMPENSATION INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION
PROSPECTIVE LOSS COSTS REFERENCE
FILING ADOPTION FORM

Page 1 of 4

1. Insurer Name   Harleysville Preferred Insurance Company

    Address   355 Maple Ave
                          Harleysville, PA 19438-2297

    Person Responsible for Filing   Carol Zwoyer

    Title Compliance Analyst   Telephone No.   (215) 256-5735

2. Insurer NAIC No.   35696   Group No.   0253

3. Line of Insurance   Workers Compensation

4. Advisory Organization   NCCI

5. Advisory Organization Reference Filing No.   AR-2007-10

6. The above insurer hereby declares that it is a member, subscriber or service purchaser of the
    named advisory organization for this line of insurance. The insurer hereby files (to be deemed to
    have independently submitted as its own filing) the prospective loss costs in the captioned
    Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the
    loss cost multipliers and, if utilized, the expense constants specified in the attachments.

7.   Proposed Rate Level Change   +2.0%   Effective Date   1/1/2008
 b. Proposed Premium Level Change   +2.0%   Effective Date   1/1/2008
8.   Prior Rate Level Change   -0.5%   Effective Date   7/1/2007
 b. Prior Premium Level Change   -0.5%   Effective Date   7/1/2007
9.   Attach "Summary of Supporting Information Form"
     (Use a separate Summary for each insurer-selected loss cost multiplier.)

10. Check one of the following:

     ☑ The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be
        applicable to future revisions of the advisory organization's prospective loss costs for this line of
        insurance. The insurer's rates will be the combination of the advisory organization's prospective
        loss costs and the insurer's loss cost multipliers and, if utilized, expense constants specified
        in the attachments. The rates will apply to policies written on or after the effective date of the
        advisory organization's prospective loss costs. This authorization is effective until disapproved
        by the Commissioner, or until amended or withdrawn by the insurer.

     ☐ The insurer hereby files to have its loss cost multipliers and, if utilitzed, expense constants, be
        applicable to only the above Advisory Organization Reference Filing.

ARKANSAS INSURANCE DEPARTMENT

Form RF-2
Rev. 4/96

Insurer Name: Harleysville Preferred Insurance Company   Date: November 19, 2007

NAIC No.   35696   Group No.   0253

INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE LOSS COSTS
SUMMARY OF SUPPORTING INFORMATION FORM
CALCULATION OF COMPANY LOSS COST MULTIPLIER

1. Does this filing apply to all classes contained in Item 4 of the Reference Filing Adoption form?
    _____ Yes   x   No   If No, for each affected class, attach Page 2 of Form
    RF-WC with appropriate justification
                [NCCI Industry Group - Not Otherwise Identified]

2. Loss Cost Modification:
    A.   The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:
             (Check One)
        ☐   Without Modification (factor = 1.000)
        ☑   With the following modification(s). (Cite the nature and percent modification, and attach
             supporting data and/or rationale for the modification.)
    B.   Loss Cost Modification Expressed as a Factor: (See Examples Below)   0.837

3. Development of Expected Loss Ratio and Loss Adjustment Expense (Target Cost) Ratio. (Attach
    exhibit detailing insurer expense data impact of premium discount plans, and/or other supporting
    information.)

                                                                       Selected Provisions
    A.   Total Production Expense   21.4%
    B.   General Expense   1.1%
    C.   Taxes, Licenses & Fees   3.8%
    D.   Underwriting Profit & Contingencies*   -2.8%
    E.   Other (explain)**   3.0%
    F.   TOTAL   26.5%
             * Explain how investment income is taken into account.
             ** WC Fund, Second Injury Fund, Death & Permanent Total Disability Fund

4. A.   Expected Loss Ratio: ELR = 100% - 3F = A   73.5%
    B.   ELR in Decimal Form =   0.735

5. Overall Impact of Expense Constant and Minimum Premiums:
    (a 2.3% impact would be expressed as 1.023)   1.031

6. Overall impact of Size-of-Risk Discounts plus Expense Graduation
    Recognition in Retrospective Rating:
    (An 8.67% average discount would be expressed as 0.914)   0.951

7. Company Formula Loss Cost Multiplier: (2B / [6-3F] x 5) =   1.183

8. Company Selected Loss Cost Multiplier =   1.18
    Explain any differences between 7 and 8:
    Rounding

9. Are you amending your minimum premium formula? If yes, attach documentation, incl Yes   No X
    including rate level impact as well as change in multipliers, expense constants,
    maximum, minimums, etc.

10.   Are you changing your premium discount schedules? If yes, attach schedules and support,
       Detailing premium or rate level change   Yes   No X

ARKANSAS INSURANCE DEPARTMENT

Form RF-2
Rev. 4/96

Insurer Name: Harleysville Preferred Insurance Company   Date: November 19, 2007

NAIC No.   35696   Group No.   0253

INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE LOSS COSTS
SUMMARY OF SUPPORTING INFORMATION FORM
CALCULATION OF COMPANY LOSS COST MULTIPLIER

1. Does this filing apply to all classes contained in Item 4 of the Reference Filing Adoption form?
    _____ Yes   __x__ No   If No, for each affected class, attach Page 2 of Form
    RF-WC with appropriate justification
    [NCCI Industry Groups 05, 06, 07, 12, 16, 17, 18, 22, 23, 25, 34]

2. Loss Cost Modification:
    A.   The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:
            (Check One)
    ☐   Without Modification (factor = 1.000)
    ☑   With the following modification(s). (Cite the nature and percent modification, and attach
            supporting data and/or rationale for the modification.)
    B.   Loss Cost Modification Expressed as a Factor: (See Examples Below)   0.768

3. Development of Expected Loss Ratio and Loss Adjustment Expense (Target Cost) Ratio. (Attach
    exhibit detailing insurer expense data impact of premium discount plans, and/or other supporting
    information.)

		Selected Provisions
A.	Total Production Expense	21.4%
B.	General Expense	1.1%
C.	Taxes, Licenses & Fees	3.8%
D.	Underwriting Profit & Contingencies*	-2.8%
E.	Other (explain)**	3.0%
F.	TOTAL	26.5%

    * Explain how investment income is taken into account.
    ** WC Fund, Second Injury Fund, Death & Permanent Total Disability Fund

4. A.   Expected Loss Ratio: ELR = 100% - 3F = A   73.5%
    B.   ELR in Decimal Form =   0.735

5. Overall Impact of Expense Constant and Minimum Premiums:
    (a 2.3% impact would be expressed as 1.023)   1.030

6. Overall impact of Size-of-Risk Discounts plus Expense Graduation
    Recognition in Retrospective Rating:
    (An 8.67% average discount would be expressed as 0.914)   0.941

7. Company Formula Loss Cost Multiplier: (2B / [6-3F] x 5) =   1.103

8. Company Selected Loss Cost Multiplier =   1.10
    Explain any differences between 7 and 8:
    Rounding

9. Are you amending your minimum premium formula? If yes, attach documentation, incl   Yes   No X
    including rate level impact as well as change in multipliers, expense constants,
    maximum, minimums, etc.

10. Are you changing your premium discount schedules? If yes, attach schedules and support,
     Detailing premium or rate level change   Yes   No X

Insurer Name: Harleysville Preferred Insurance Company   Date: November 19, 2007

NAIC No.   35696   Group No.   0253

INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION PROSPECTIVE LOSS COSTS
SUMMARY OF SUPPORTING INFORMATION FORM
CALCULATION OF COMPANY LOSS COST MULTIPLIER

1.   Does this filing apply to all classes contained in Item 4 of the Reference Filing Adoption form?
     _____ Yes   ___x___ No   If No, for each affected class, attach Page 2 of Form
     RF-WC with appropriate justification
          [NCCI Industry Groups 27, 35]

2.   Loss Cost Modification:
     A.   The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:
            (Check One)
     ☐   Without Modification (factor = 1.000)
     ☑   With the following modification(s). (Cite the nature and percent modification, and attach
            supporting data and/or rationale for the modification.)
     B.   Loss Cost Modification Expressed as a Factor: (See Examples Below)   1.003

3.   Development of Expected Loss Ratio and Loss Adjustment Expense (Target Cost) Ratio. (Attach
     exhibit detailing insurer expense data impact of premium discount plans, and/or other supporting
     information.)

                                                                    Selected Provisions
     A.   Total Production Expense   21.4%
     B.   General Expense   1.1%
     C.   Taxes, Licenses & Fees   3.8%
     D.   Underwriting Profit & Contingencies*   -2.8%
     E.   Other (explain)**   3.0%
     F.   TOTAL   26.5%
            * Explain how investment income is taken into account.
            ** WC Fund, Second Injury Fund, Death & Permanent Total Disability Fund
4.   A.   Expected Loss Ratio: ELR = 100% - 3F = A   73.5%
     B.   ELR in Decimal Form =   0.735
5.   Overall Impact of Expense Constant and Minimum Premiums:
     (a 2.3% impact would be expressed as 1.023)   1.030
6.   Overall impact of Size-of-Risk Discounts plus Expense Graduation
     Recognition in Retrospective Rating:
     (An 8.67% average discount would be expressed as 0.914)   0.941
7.   Company Formula Loss Cost Multiplier: (2B / [6-3F] x 5) =   1.441

8.   Company Selected Loss Cost Multiplier =   1.44
     Explain any differences between 7 and 8:
     Rounding

9.   Are you amending your minimum premium formula? If yes, attach documentation, incl Yes   No X
     including rate level impact as well as change in multipliers, expense constants,
     maximum, minimums, etc.

10. Are you changing your premium discount schedules? If yes, attach schedules and support,
     Detailing premium or rate level change   Yes   No X

ARKANSAS

ARKANSAS INSURANCE DEPARTMENT

WORKERS COMPENSATION ABSTRACT

INSTRUCTIONS: All questions must be answered. If the answer is "non" or "not applicable", so state. If all questions are not answered, the filing will not be accepted for review by the Department. Use a separate abstract for each company if filing for a group.

Company Name	Harleysville Mutual Insurance Company		
NAIC No.	14168	Group No.	253
Deviation From	NCCI	Proposed Effective Date	1/1/2008

1 What type of deviation(s) are you currently utilizing? (Specify whether deviation is a schedule rating plan or an across-the board deviation)

Type	**Approved**	**Percentage**
Schedule Rating Plan	1/12/1995	Max of +/- 25%

2 What, if any, restrictions apply to the deviation? None

3 What is the minimum premium requirement for eligibility for the deviation? None

4 What was the average percentage of credit given on policies eligible under the deviation? 15.5%

5 What was the average percentage of debit given on policies eligible under the deviation? 6.4%

6 State the number of Arkansas policies issued since the approval of your deviation. 175 (Inforce as of 9/30/2007)
   Of these policies, how many received a deviation? 71

7 Do you allow both schedule rating plans and across-the-board deviations on the same risk? No, other than filed LCMs

8 Does your company offer a dividend plan? If so, please describe the type of dividend, including the amount
   paid in dividends for the preceding calendar year. Yes, but no dividends were paid in the previous calendar year.

9 When promulgating an individual policy premium, at what point is the deviation applied? After the experience modification but
   before the deductible credit.

10 Do plans for the future market provide for:
   (a) A greater market penetration for this type of business
   (b) A lesser penetration
   (c) Status quo Yes

THE INFORMATION PROVIDED IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Signature
Carol Zwoyer
Title
215-256-5735
Telephone Number

ARKANSAS

ARKANSAS INSURANCE DEPARTMENT

WORKERS COMPENSATION ABSTRACT

INSTRUCTIONS: All questions must be answered. If the answer is "non" or "not applicable", so state. If all questions are not answered, the filing will not be accepted for review by the Department. Use a separate abstract for each company if filing for a group.

Company Name	Harleysville Preferred Insurance Company		
NAIC No.	35696	Group No.	253
Deviation From	NCCI	Proposed Effective Date	1/1/2008

1 What type of deviation(s) are you currently utilizing? (Specify whether deviation is a schedule rating plan or an across-the board deviation)

Type	**Approved**	**Percentage**
Schedule Rating Plan	9/15/2001	Max of +/- 25%

2 What, if any, restrictions apply to the deviation?   None

3 What is the minimum premium requirement for eligibility for the deviation?   None

4 What was the average percentage of credit given on policies eligible under the deviation?   0.0%

5 What was the average percentage of debit given on policies eligible under the deviation?   0.0%

6 State the number of Arkansas policies issued since the approval of your deviation.   1 (Inforce as of 9/30/2007)
  Of these policies, how many received a deviation?   0

7 Do you allow both schedule rating plans and across-the-board deviations on the same risk?   No, other than filed LCMs

8 Does your company offer a dividend plan? If so, please describe the type of dividend, including the amount
  paid in dividends for the preceding calendar year.   Yes, but no dividends were paid in the previous calendar year.

9 When promulgating an individual policy premium, at what point is the deviation applied?   After the experience modification but
  before the deductible credit.

10 Do plans for the future market provide for:
  (a)   A greater market penetration for this type of business
  (b)   A lesser penetration
  (c)   Status quo   Yes

THE INFORMATION PROVIDED IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Carol Zwoyer

Signature
Carol Zwoyer
Title
215-256-5735
Telephone Number

HARLEYSVILLE INSURANCE
355 Maple Avenue
Harleysville, PA 19438-2297
www.harleysvillegroup.com

November 29, 2007

Honorable Julie Benafield Bowman
Commissioner of Insurance
Arkansas Department of Insurance
1200 West Third Street
Little Rock, AR 72201-1904

NAIC # 14168-35696
Workers Compensation
(Rate/Rule Filing)
Item Filing #: AR-2007-10
Company Tracking Number: 125364093

Dear Honorable Bowman:

With this filing it is our intent to submit for your review and approval a revision to applicable to our Workers Compensation program which results in an overall impact of +2.4%:

We wish to adopt the above captioned Voluntary Advisory Loss Costs and Rating Values with no change to our company Loss Cost Multiplier. In addition, we are revising our deductible credits in accordance with NCCI's revised loss elimination ratios.

Attached: AR-E-1, AR-E-3, AR-E-4, January 2008
              AR-PE-1, AR-PE-3, AR-PE-4, January 2008

Withdrawn: AR-E-1, AR-E-3, AR-E-4, July 2007
              AR-PE-1, AR-PE-3, AR-PE-4, July 2007

Simultaneously under separate cover we are submitting a form filing to coincide with this rate filing.

Rule of application: These changes shall be applicable to all policies effective on or after January 1, 2008.

Your favorable approval will be appreciated.

Very truly yours,
Harleysville Mutual Insurance Company
Harleysville Preferred Insurance Company

Carol Zwoyer, AAM, AIT
Senior State Filing Analyst
(215) 256-5735
czwoyer@harleysvillegroup.com

CC: Kevin Grafton, Lisa Berke

HARLEYSVILLE INSURANCE

HARYLEYSVILLE MUTUAL INSURANCE COMPANY
HARYLEYSVILLE PREFERRED INSURANCE COMPANY

ARKANSAS
WORKERS COMPENSATION

ACTUARIAL EXPLANATORY MEMORANDUM

The Harleysville Mutual Insurance Company (HMIC) and the Harleysville Preferred Insurance Company (HPRF) propose to adopt NCCI's Arkansas Workers Compensation loss costs contained in NCCI circular AR-2007-10 as described below and in the attached forms and exhibits. The overall rate level effect of this revision is +2.4% for HMIC, +2.0% for HPRF and +2.4% in total. We propose these changes become effective January 1, 2008.

We propose no change to our currently filed company deviation in HPRF of -20%.

We have revised our deductible discount factors in accordance with NCCI's revised loss elimination ratios presented in circular AR-2007-10.

No other changes to our workers compensation program are being proposed at this time.
The following exhibits are attached for review:

- **Exhibit 1** provides the summary detail of the overall 2.4% rate level effect by company.

- **Exhibit 2** displays the loss cost multipliers by Industry Group.

- **Exhibit 3** displays the calculation of our indicated rate level need.

- **Exhibit 4** provides a summary of Harleysville's historical expense experience over the past three calendar years.

- **Exhibit 5** presents Harleysville's internal rate of return model used in determination of the underwriting profit provision.

Exhibit 1

Harleysville Insurance
Arkansas Workers' Compensation
Costing of NCCI Revisions Effective January 1, 2008

SUMMARY OF PROPOSED IMPACT

12 Months Ending 9/2007

	Harleysville Mutual	Harleysville Preferred	Harleysville Total
MANUAL CLASS REVISIONS			
Manual Class Premium	1,050,977	14,961	1,065,938
Impact of Manual Rate Revision	2.5%	2.1%	2.5%
Impact of Loss Cost Multiplier Revision	0.0%	0.0%	0.0%
Combined Impact	2.5%	2.0%	2.5%
Premium Discount Revision			
Premium Discount $	(45,509)	(483)	(45,992)
Current Average Premium Discount	0.0%	0.0%	0.0%
Proposed Average Premium Discount	0.0%	0.0%	0.0%
Change in Premium Discount	0.0%	0.0%	0.0%
Overall Impact	0.0%	0.0%	0.0%
All Other Class Premium	(195,008)	(3,436)	(198,444)
TOTAL CLASS PREMIUM	810,460	11,042	821,502
TOTAL CLASS PREMIUM IMPACT	2.5%	2.0%	2.5%
EXPENSE CONSTANT REVISIONS			
Current Expense Constant	200	200	200
Proposed Expense Constant	200	200	200
TOTAL EXPENSE CONSTANT PREMIUM	30,989	200	31,189
TOTAL EXPENSE CONSTANT IMPACT	0.0%	0.0%	0.0%
TOTAL WRITTEN PREMIUM	**841,449**	**11,242**	**852,691**
TOTAL RATE LEVEL IMPACT	2.4%	2.0%	2.4%
NCCI Offsets Included in Rates	1.000	1.000	1.000
COLLECTIBLE PREMIUM LEVEL IMPACT	**2.4%**	**2.0%**	**2.4%**

Exhibit 2

Arkansas Workers' Compensation
Deviations by NCCI Group

Description	NCCI Group	Standard Company Curr	Standard Company Prop	Preferred Company Curr	Preferred Company Prop	Proposed LCM'S HMIC	Proposed LCM'S HPRF
Agriculture	01	0.0%	0.0%	0.0%	0.0%	1.47	1.18
Mining & Oil or Natural Gas	02	21.8%	21.8%	21.8%	21.8%	1.79	1.44
Quarrying, Stone Crushing	04	21.8%	21.8%	21.8%	21.8%	1.79	1.44
Food & Tobacco	05	-7.0%	-7.0%	-7.0%	-7.0%	1.37	1.10
Textiles	06	-7.0%	-7.0%	-7.0%	-7.0%	1.37	1.10
Cloth Products	07	-7.0%	-7.0%	-7.0%	-7.0%	1.37	1.10
Laundries	08	0.0%	0.0%	0.0%	0.0%	1.47	1.18
Leather	09	0.0%	0.0%	0.0%	0.0%	1.47	1.18
Rubber, Composition & Bone	10	0.0%	0.0%	0.0%	0.0%	1.47	1.18
Paper & Pulp Products	12	-7.0%	-7.0%	-7.0%	-7.0%	1.37	1.10
Wood	14	0.0%	0.0%	0.0%	0.0%	1.47	1.18
Metallurgy	16	-7.0%	-7.0%	-7.0%	-7.0%	1.37	1.10
Metal Forming	17	-7.0%	-7.0%	-7.0%	-7.0%	1.37	1.10
Machine Shops	18	-7.0%	-7.0%	-7.0%	-7.0%	1.37	1.10
Vehicles	20	0.0%	0.0%	0.0%	0.0%	1.47	1.18
Stone Products	21	21.8%	21.8%	21.8%	21.8%	1.79	1.44
Clay Products	22	-7.0%	-7.0%	-7.0%	-7.0%	1.37	1.10
Glass Products	23	-7.0%	-7.0%	-7.0%	-7.0%	1.37	1.10
Chemicals	24	21.8%	21.8%	21.8%	21.8%	1.79	1.44
Miscellaneous Manufacturing	25	-7.0%	-7.0%	-7.0%	-7.0%	1.37	1.10
Miscellaneous Construction	26	21.8%	21.8%	21.8%	21.8%	1.79	1.44
Erection	27	21.8%	21.8%	21.8%	21.8%	1.79	1.44
Shipbuilding	28	21.8%	21.8%	21.8%	21.8%	1.79	1.44
Admiralty and Fed Empl Act	29	21.8%	21.8%	21.8%	21.8%	1.79	1.44
Stevedoring & Freight	30	21.8%	21.8%	21.8%	21.8%	1.79	1.44
Railroad Operation	31	21.8%	21.8%	21.8%	21.8%	1.79	1.44
Cartage & Trucking	32	21.8%	21.8%	21.8%	21.8%	1.79	1.44
Public Utilities	33	21.8%	21.8%	21.8%	21.8%	1.79	1.44
Commercial Enterprises	34	-7.0%	-7.0%	-7.0%	-7.0%	1.37	1.10
Clerical & Professional Occ	35	21.8%	21.8%	21.8%	21.8%	1.79	1.44
Operation & Maintenance	36	0.0%	0.0%	0.0%	0.0%	1.47	1.18
Miscellaneous Occupations	37	0.0%	0.0%	0.0%	0.0%	1.47	1.18

Exhibit 3

HARLEYSVILLE INSURANCE
WORKERS' COMPENSATION

NASHVILLE OPERATIONS
ARKANSAS

PREMIUM INFORMATION

Cal Yr Ending	Written Premium	WP Growth	Earned Premium	EP Growth	Policies In-force	PIF Growth	Trended EP @ Curr Level (a)
12/2002	1,818,948	- - -	1,830,517	- - -	0	- - -	2,783,622
12/2003	1,515,173	-16.7%	1,671,919	-8.7%	0	- - -	2,114,779
12/2004	1,316,936	-13.1%	1,255,508	-24.9%	0	- - -	1,350,506
12/2005	980,876	-25.5%	1,178,989	-6.1%	0	- - -	1,144,605
12/2006	959,931	-2.1%	996,492	-15.5%	0	- - -	933,721
Total	6,591,864		6,933,424		NA		8,327,232

ACCIDENT YEAR LOSS INFORMATION (Evaluated as of 03/2007)

Cal/Acc Year Ending	Ultimate Incurred Losses	Claim Counts	Acc Year Loss Ratio (b)	Hurricane Losses	Other CAT Losses	AY LR Excluding All CATS	Excess Losses (c)	AY LR Excluding CATS & XS	Ultimate (d) Expected Loss Ratio
12/2002	1,073,035	346	0.586	-	-	0.586	-	0.586	0.438
12/2003	327,182	209	0.196	-	-	0.196	-	0.196	0.174
12/2004	404,373	107	0.322	-	-	0.322	-	0.322	0.329
12/2005	959,875	133	0.814	-	-	0.814	-	0.814	0.903
12/2006	573,366	114	0.575	-	-	0.575	-	0.575	0.643
Total	3,337,831	909	0.481	-	-	0.481	-	0.481	0.440

EXPENSE INFORMATION	
Commissions	9.1%
Taxes	4.0%
Other Acquisitions	13.4%
General Expense	1.2%
Dividends	0.0%
Additional Expense	0.0%
ULAE	9.0%
Profit (12.5% IRR)	-2.9%
Net Operations Expense	1.8%
Total Expense Ratio (% of Prem)	35.6%
Fixed Expense Ratio:	17.7%
Fixed Expense Trend:	1.0%
Permissible Variable	
Loss & ALAE Ratio:	82.1%
ALAE (% of loss)	4.7%
Permissible Loss Ratio (PLR):	61.5%

SELECTED LOSS RATIO	
Weighted Loss Ratio:	
5 Year (10/15/20/25/30):	55.4%
3 Year (20/30/50):	65.8%
2 Year (30/70):	72.1%
Selected Loss Ratio:	60.0%
Credibility Adjustment	
Credibility Factor:	0.50
Complement of Credibility:	69.1%
Credibility Weighted LR:	**64.5%**

INDICATIONS	
Projected Effective Date of 01/01/08	
At Current Rate, Price and Tier Levels	
Including only approved rate changes:	
Latest approved rate change:	7/1/07
Credibility Weighted LR:	64.5%
Credibility Weighted L&ALAE Ratio:	67.6%
Permissible Variable L&ALAE Ratio:	82.1%
Trended Fixed Expense Ratio (e):	17.9%
Indicated Rate Level Need:	**4.1%**

NOTES:

(a) Premium projected to 6 months beyond the projected renewal date of 01/01/08.

(b) Ultimate Incurred Losses / Earned Premium.

(c) Losses above $100,000 are considered excess.

(d) Includes a non-hurr cat load of 0.0% and a statewide excess loss load of 0.5% (both as a % of capped, trended loss), and a hurricane load of 0.0% and a coutrywide excess load of (both as a % of trended EP @ curr levels).   Losses are projected to 1 year beyond the projected renewal date of 01/01/08.

(e) Fixed expense ratio (75% of GE, OA, and ULAE) trended 1.0% from 07/01/07 to 6 months beyond the projected renewal date of 01/01/08.

Exhibit 4

HARLEYSVILLE INSURANCE COMPANIES
COUNTRYWIDE WORKERS COMPENSATION
HISTORICAL EXPENSE EXPERIENCE

For the ARKANSAS Filings

	2003 $ (000's)	RATIO	2004 $ (000's)	RATIO	2005 $ (000's)	RATIO	TOTAL $ (000's)	RATIO	Selection	Selection @ Standard Level
ARKANSAS DIRECT PREMIUM WRITTEN	1,316,936	----	980,876	----	959,931	----	3,257,743	----	----	----
ARKANSAS DIRECT PREMIUM EARNED	1,240,719	----	1,199,856	----	977,189	----	3,417,764	----	----	----
α ARKANSAS COMMISSION	91,979	7.0%	89,942	9.2%	87,745	9.1%	269,667	8.3%	9.1%	8.7%
α ARKANSAS TAXES, LIC., FEES	41,379	3.1%	46,236	4.7%	40,915	4.3%	128,531	3.9%	4.0%	3.8%
β ARKANSAS DIVIDENDS	0	0.0%	0	0.0%		0.0%	0	0.0%	0.0%	0.0%
COUNTRYWIDE DIRECT PREMIUM EARNED	128,969,980	----	123,377,909	----	123,531,724	----	375,879,612	----	----	----
β OTHER ACQUISITION	17,810,009	13.8%	17,724,500	14.4%	16,706,805	13.5%	52,241,314	13.9%	13.4%	12.7%
β GENERAL	1,854,179	1.4%	1,573,992	1.3%	1,289,624	1.0%	4,717,795	1.3%	1.2%	1.1%

δ Underwriting Profit Provision (12.0% IRR): -2.9% -2.8%

α Ratios expressed as a percent of Written Premium.
β Ratios expressed as a percent of Earned Premium.
δ The Profit Provision was derived by Harleysville's Internal Rate of Return (IRR) Model.

EXHIBIT 5
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THE HARLEYSVILLE INSURANCE COMPANIES
A National Network of Regional Insurers

Internal Rate of Return Model

Explanatory Memorandum for the Determination of Underwriting Profit Provision

The underwriting profit provision contained in this filing was developed from the Internal Rate of Return (IRR) Model displayed on the following pages. The IRR Model generates expected underwriting and investment results for the prospective period of the proposed rates. This provides a more appropriate reflection of anticipated profit than traditional methods that incorporate calendar year results containing contributions from prior policy years.

The model is designed to simulate the underwriting and investment operations of an insurance company writing a single policy. Given specific underwriting and investment assumptions as well as certain operating constraints, the model calculates equity flows between the company and its stockholders. The interest rate for which the present value of these equity flows equals zero is defined as the IRR. Through an iterative process, the model determines the premium necessary to achieve a target rate of return. The target rate of return is selected as the return necessary to attract capital to the operation. The combined ratio associated with the required premium and all underwriting expenses and policyholder dividends provides the necessary underwriting profit provision to be included in the proposed rates (U/W profit provision = 1 - combined ratio).

The operating constraints incorporated into the model are determined by a combination of Harleysville's current operations and the practical limitations of the model. The predominant constraint is the determination of a surplus amount to be maintained during the period for which obligations from the policy exist. Surplus requirements for the beginning of each year are determined by a selected reserve to surplus ratio for all years where reserves include unearned premium reserves and loss and loss adjustment expense reserves. These ratios have been selected to reflect the relative risk of the line of business being evaluated. The surplus is then increased or decreased by the statutory net income after federal income tax. The difference between the ending surplus amount and the required surplus for the beginning of the following year is the amount returned to the stockholder. This model assumes that the stockholders' funds are unlimited and further investments are made if the surplus falls below required levels.

The underwriting results are based on statutory accounting principles and assumptions specific to the line of business being evaluated. The projected loss and allocated loss adjustment expense ratio, and other underwriting expenses are those developed in this filing for the prospective period. The loss, expense, and dividend payout patterns are based on historical analysis of the corresponding line of business. The model assumes premiums are earned and losses are incurred evenly over the term of the policy. Commissions are paid according to the collected premium patterns. Contingent commissions and residual market costs are assumed to be paid in the year following the year in which they are incurred

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THE HARLEYSVILLE INSURANCE COMPANIES
A National Network of Regional Insurers

Internal Rate of Return Model

Explanatory Memorandum for the Determination of Underwriting Profit Provision

The investment results reflect current investment opportunities and company strategies. The current investment environment is the most accurate reflection of anticipated income generated from funds supplied by writing a policy today. The beginning surplus is distributed to various investment vehicles based on Harleysville's current investment strategy. The investment income earned in a particular year is based on an estimate of the average invested amount during the year and an assumed investment yield. The estimated invested amount is accomplished by incorporating 50% of the underwriting cash flow for the current year. A positive cash flow indicates additional surplus being invested during the year; whereas, a negative cash flow represents a depletion of surplus available for investment. The investment yields reflect those currently available in the market. The cash flow yield is an average based on the assumed investment distributions.

Current federal tax laws and the Alternative Minimum Tax are considered in developing the operating results.

HARLEYSVILLE INSURANCE GROUP
INTERNAL RATE OF RETURN MODEL
Investment and Operating Assumptions
Summary of Results

Line Of Business: Workers Compensation
State: CW

Investment Assumptions

Investment	Dist	Yield
Cash / ST Inv	9.8%	0.80%
U.S. Gov't Bonds	10.4%	5.43%
Corporate Bonds	26.7%	8.43%
Tax-Exempt Bonds (Pre 8/86)	0.0%	2.77%
Tax-Exempt Bonds (Post 8/86)	42.5%	2.77%
Common Stock	9.9%	5.48%
Other Investments	0.8%	23.69%

Operating Requirements

Reserve to Surplus Ratio:	7.48
Target Rate of Return:	12.5%

Model Results

Target Rate of Return:	12.5%
Required Combined Ratio:	102.9%
Underwriting Profit Provision:	-2.9%

HARLEYSVILLE INSURANCE GROUP
INTERNAL RATE OF RETURN MODEL
Underwriting Assumptions

Line Of Business: Workers Compensation
State: CW

Underwriting Assumptions

Loss & ALAE Ratio:	63.7%
Dividends Payable:	1.6%

Year after policy inception:	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20
Premium Patterns																				
Written	90.9%	9.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earned	90.9%	9.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Collected	90.9%	9.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Cumulative Loss & ALAE Payout Patterns

	Weight	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20
Subline 1:	100.0%	20.3%	45.0%	60.0%	69.0%	75.3%	79.3%	81.6%	83.4%	85.2%	87.0%	89.0%	91.0%	93.0%	94.0%	95.0%	96.0%	97.0%	98.0%	99.0%	100.0%
Subline 2:	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Subline 3:	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Subline 4:	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Weighted Average:		20.3%	45.0%	60.0%	69.0%	75.3%	79.3%	81.6%	83.4%	85.2%	87.0%	89.0%	91.0%	93.0%	94.0%	95.0%	96.0%	97.0%	98.0%	99.0%	100.0%

	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20
Loss Reserve Discounting Factors:	0.8952	0.8684	0.8483	0.8421	0.8423	0.8595	0.8678	0.8831	0.9070	0.9242	0.9419	0.9600	0.9781	0.9807	0.9807	0.9807	0.9807	0.9807	0.9807	0.9807
Paid Expense Payout Pattern:	95.0%	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Paid ULAE Payout Pattern:	55.2%	17.4%	7.5%	4.5%	3.2%	2.0%	1.2%	0.9%	0.9%	0.9%	1.0%	1.0%	1.0%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Dividend Payout Pattern:	0.0%	97.5%	2.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Incurred Expense Ratios	Variable	Fixed	Total
Commissions	7.30%	0.00%	7.30%
Contingent Comm	0.00%	0.00%	0.00%
Taxes, Licenses, & Fees	2.40%	0.00%	2.40%
O/A & General	3.65%	10.95%	14.60%
Unallocated Loss Expense	2.60%	7.80%	10.40%
Residual Market	0.00%	0.00%	0.00%
Other U/W Expense	0.00%	0.00%	0.00%
Total	15.95%	18.75%	34.70%

Exhibit 5
Page 4

HARLEYSVILLE INSURANCE GROUP
INTERNAL RATE OF RETURN MODEL
Determination of Equity Flows

Line Of Business: Workers Compensation
State: CW

Year after policy inception:	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20
Estimated Reserves (a)																				
Unearned Premium	966.09	87.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loss & LAE	NA	461.49	364.67	263.50	202.69	160.99	134.18	118.54	106.79	95.32	83.85	71.23	58.49	45.75	38.80	32.43	26.06	19.69	13.32	6.95
Expenses	NA	67.37	29.01	20.78	16.07	12.80	10.71	9.50	8.57	7.64	6.71	5.68	4.65	3.62	3.09	2.58	2.06	1.55	1.03	0.52
Policyholder Dividends	NA	15.46	0.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Reserves	966.09	632.23	394.06	284.28	218.76	173.79	144.89	128.04	115.35	102.96	90.57	76.91	63.14	49.37	41.89	35.01	28.12	21.24	14.35	7.47
Required Beginning Surplus (b)	129.13	73.43	48.74	35.22	27.09	21.52	17.93	15.84	14.27	12.74	11.21	9.52	7.82	6.11	5.19	4.33	3.48	2.63	1.78	0.93
Statutory Net Income																				
Adj Premiums Earned (c)	878.17	87.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Investment Gain (d)	17.86	25.33	18.61	13.75	10.71	8.68	7.41	6.60	5.92	5.25	4.55	3.82	3.07	2.48	2.09	1.72	1.35	0.98	0.61	0.24
Losses and Loss Expenses (c)	579.03	57.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Underwriting Expenses (c)	327.57	14.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OPERATING GAIN	(10.57)	41.26	18.61	13.75	10.71	8.68	7.41	6.60	5.92	5.25	4.55	3.82	3.07	2.48	2.09	1.72	1.35	0.98	0.61	0.24
Policyholder Dividends (c)	0.00	15.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NET INCOME BEFORE FIT	(10.57)	25.80	18.61	13.75	10.71	8.68	7.41	6.60	5.92	5.25	4.55	3.82	3.07	2.48	2.09	1.72	1.35	0.98	0.61	0.24
Federal Income Tax (e)	12.41	6.65	2.09	1.08	0.76	0.38	0.88	0.67	0.43	0.54	0.45	0.39	0.35	0.57	0.51	0.41	0.31	0.21	0.11	0.02
NET INCOME	(22.98)	19.15	16.52	12.67	9.95	8.29	6.53	5.93	5.49	4.72	4.11	3.42	2.73	1.91	1.58	1.31	1.04	0.77	0.50	0.22
Other Changes in Surplus (f)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ending Surplus Before Dividends	106.15	92.58	65.26	47.89	37.05	29.81	24.46	21.77	19.76	17.46	15.31	12.94	10.54	8.03	6.77	5.65	4.52	3.40	2.28	1.15
Stockholder Dividends Payable	32.72	43.84	30.04	20.80	15.53	11.88	8.62	7.50	7.02	6.25	5.79	5.13	4.43	2.84	2.44	2.16	1.89	1.62	1.35	1.15
Ending Surplus	73.43	48.74	35.22	27.09	21.52	17.93	15.84	14.27	12.74	11.21	9.52	7.82	6.11	5.19	4.33	3.48	2.63	1.78	0.93	0.00

MODEL RESULTS

IRR on Dividends Payable	12.5%
Required Combined Ratio	102.9%
U/W Profit Provision	-2.9%

(a)   Reserves at beginning of period. Calculation of reserves is determined from Pages 13 & 14.
(b)   Each years' required surplus is determined by the Reserve-to-Surplus ratio, shown on Page 8.
(c)   Determined on Pages 13 & 14.
(d)   Determined on Page 12.
(e)   Determined on Page 11.
(f)   This model assumes the only changes in surplus are due to investment and underwriting operations. Realized and Unrealized Capital Gains/Losses are not incorporated.
(g)   All surplus in excess of the required amount for the following year is returned to the stockholder.

HARLEYSVILLE INSURANCE GROUP
INTERNAL RATE OF RETURN MODEL
Projected Federal Income Tax

Line Of Business: Workers Compensation
State: CW

Year after policy inception	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20
Calculation Of Regular Tax																				
Profit Before FIT (Statutory) (a)	(10.57)	25.80	18.61	13.75	10.71	8.68	7.41	6.60	5.92	5.25	4.55	3.82	3.07	2.48	2.09	1.72	1.35	0.98	0.61	0.24
Tax-Exempt Income																				
100% pre 8-7-86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
85% post 8-7-86	1.29	5.90	4.44	3.20	2.46	1.96	1.63	1.44	1.30	1.16	1.02	0.87	0.71	0.56	0.47	0.39	0.32	0.24	0.16	0.08
20% of Change in UPR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Chg due to Disct Loss/LAE Rsrv (b	48.36	(0.35)	(8.03)	(7.97)	(6.62)	(6.53)	(3.19)	(3.18)	(3.62)	(2.52)	(2.22)	(1.80)	(1.34)	(0.25)	(0.12)	(0.12)	(0.12)	(0.12)	(0.12)	(0.12)
Regular Taxable Income	36.49	19.56	6.14	2.59	1.63	0.19	2.59	1.97	1.01	1.58	1.32	1.15	1.02	1.68	1.50	1.21	0.91	0.62	0.32	0.03
Federal Taxes at 34%	12.41	6.65	2.09	0.88	0.55	0.06	0.88	0.67	0.34	0.54	0.45	0.39	0.35	0.57	0.51	0.41	0.31	0.21	0.11	0.01
Calculation Of Alternative Minimum Tax (AMT)																				
Regular Taxable Income	36.49	19.56	6.14	2.59	1.63	0.19	2.59	1.97	1.01	1.58	1.32	1.15	1.02	1.68	1.50	1.21	0.91	0.62	0.32	0.03
Tax-Exempt Income	1.52	6.94	5.22	3.77	2.90	2.30	1.92	1.70	1.53	1.36	1.20	1.02	0.84	0.65	0.56	0.46	0.37	0.28	0.19	0.10
Adjusted Current Earnings	38.02	26.49	11.36	6.35	4.53	2.49	4.51	3.67	2.53	2.94	2.52	2.17	1.86	2.33	2.05	1.67	1.28	0.90	0.51	0.13
75% of Difference	1.14	5.20	3.92	2.83	2.17	1.73	1.44	1.27	1.15	1.02	0.90	0.76	0.63	0.49	0.42	0.35	0.28	0.21	0.14	0.07
AMT Taxable Income	37.64	24.76	10.06	5.41	3.80	1.91	4.03	3.25	2.15	2.60	2.22	1.92	1.65	2.17	1.92	1.55	1.19	0.83	0.47	0.11
AMT Income Tax at 20%	7.53	4.95	2.01	1.08	0.76	0.38	0.81	0.65	0.43	0.52	0.44	0.38	0.33	0.43	0.38	0.31	0.24	0.17	0.09	0.02
Greater of AMT or Regular Tax (c)																				
	12.41	6.65	2.09	1.08	0.76	0.38	0.88	0.67	0.43	0.54	0.45	0.39	0.35	0.57	0.51	0.41	0.31	0.21	0.11	0.02

(a) Determined on Page 10.
(b) Determined on Page 13.
(c) If AMT is negative, then regular tax is selected. If AMT is positive the selected tax is the maximum of the AMT and the Regular Tax.

Exhibit 5
Page 6

HARLEYSVILLE INSURANCE GROUP
INTERNAL RATE OF RETURN MODEL
Projected Investment Income

Line Of Business: Workers Compensation
State: CW

Year after policy inception:		01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20
Investment Income																					
Beginning of Period Invested Assets (a)																					
Investment Portfolio	Yield																				
Cash / ST Inv	0.80%	12.60	57.41	43.21	31.18	23.99	19.06	15.89	14.04	12.65	11.29	9.93	8.44	6.93	5.42	4.60	3.84	3.09	2.33	1.58	0.82
U.S. Gov Bd	5.43%	13.42	61.14	46.02	33.20	25.55	20.30	16.92	14.95	13.47	12.03	10.58	8.98	7.38	5.77	4.89	4.09	3.29	2.48	1.68	0.87
Corp Bonds	8.43%	34.48	157.07	118.23	85.31	65.65	52.15	43.48	38.42	34.61	30.90	27.18	23.08	18.95	14.82	12.57	10.51	8.44	6.38	4.31	2.24
Tax-Exempt Bd	2.77%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tax-Exempt Bd	2.77%	54.88	250.02	188.20	135.79	104.49	83.01	69.20	61.16	55.10	49.18	43.26	36.74	30.16	23.59	20.01	16.73	13.44	10.15	6.86	3.57
Common Stock	5.48%	12.74	58.03	43.68	31.52	24.25	19.27	16.06	14.19	12.79	11.41	10.04	8.53	7.00	5.47	4.65	3.88	3.12	2.36	1.59	0.83
Other Inv	23.69%	1.00	4.54	3.42	2.47	1.90	1.51	1.26	1.11	1.00	0.89	0.79	0.67	0.55	0.43	0.36	0.30	0.24	0.18	0.12	0.06
Total Invested Assets		129.11	588.20	442.76	319.47	245.83	195.29	162.81	143.88	129.62	115.70	101.77	86.43	70.96	55.49	47.09	39.35	31.61	23.88	16.14	8.40
Curr Cash Flow (b)	4.80%	243.21	(60.15)	(54.89)	(32.76)	(22.49)	(14.45)	(8.42)	(6.34)	(6.20)	(6.20)	(6.83)	(6.89)	(6.89)	(3.74)	(3.44)	(3.44)	(3.44)	(3.44)	(3.44)	(3.44)
Investment Income (c)		17.86	25.33	18.61	13.75	10.71	8.68	7.41	6.60	5.92	5.25	4.55	3.82	3.07	2.48	2.09	1.72	1.35	0.98	0.61	0.24
Cash Flow																					
Premiums Collected (d)		878.17	87.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loss and LAE Paid (d)		117.54	154.79	101.17	60.81	41.70	26.81	15.64	11.76	11.47	11.47	12.62	12.74	12.74	6.95	6.37	6.37	6.37	6.37	6.37	6.37
Underwriting Expenses Paid (e)		274.21	38.36	8.22	4.71	3.28	2.09	1.21	0.93	0.93	0.93	1.03	1.03	1.03	0.53	0.52	0.52	0.52	0.52	0.52	0.52
Policyholder Dividends Paid (d)		0.00	15.07	0.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Taxes Paid (f)		12.41	6.65	2.09	1.08	0.76	0.38	0.88	0.67	0.43	0.54	0.45	0.39	0.35	0.57	0.51	0.41	0.31	0.21	0.11	0.02
Net Investment Income Collected		17.86	25.33	18.61	13.75	10.71	8.68	7.41	6.60	5.92	5.25	4.55	3.82	3.07	2.48	2.09	1.72	1.35	0.98	0.61	0.24
Other Changes in Surplus (g)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Cash Flow From Operations		491.87	(101.62)	(93.26)	(52.84)	(35.02)	(20.61)	(10.31)	(6.76)	(6.90)	(7.68)	(9.55)	(10.35)	(11.04)	(5.56)	(5.30)	(5.57)	(5.84)	(6.12)	(6.39)	(6.67)
Stockholder Dividends Paid (g)		32.72	43.84	30.04	20.80	15.53	11.88	8.62	7.50	7.02	6.25	5.79	5.13	4.43	2.84	2.44	2.16	1.89	1.62	1.35	1.15
Net Cash Flow After Dividends		459.15	(145.46)	(123.31)	(73.64)	(50.55)	(32.49)	(18.93)	(14.26)	(13.93)	(13.93)	(15.34)	(15.47)	(15.47)	(8.41)	(7.74)	(7.74)	(7.74)	(7.74)	(7.74)	(7.81)

(a) Invested assets are determined by applying the distribution of assets shown on Page 8 to the sum of the surplus at the beginning of each year and the net cash flow after dividends from the previous year.
(b) 50 % of the underwriting cash flow from the current year (excluding taxes paid, investment income, and stockholder dividends) is incorporated to estimate the average amount of invested assets throughout the year for which investment income is received. This prcedure accounts for the transition of the surplus from the beginning of the year to the end of the year. This amount is applied to an investment yield equal to the weighted average of the current portfolio.
(c) Investment income determined by multiplying the yield rate by the invested assets.
(d) Determined on Page 13.
(e) Determined on Page 14.
(f) Determined on Page 11.
(g) Other Changes in Surplus and Stockholder Dividends are shown on Page 10.

Exhibit 5
Page 7

HARLEYSVILLE INSURANCE GROUP
INTERNAL RATE OF RETURN MODEL
Premium, Loss, and Dividend Projections

Line Of Business: Workers Compensation
State: CW

Year after policy inception:	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20
Incurred and Paid Losses																				
Losses and ALAE Incurred (a):	579.03	57.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Weighted Average Payment Development:	20.3%	24.7%	15.0%	9.0%	6.3%	4.0%	2.3%	1.8%	1.8%	1.8%	2.0%	2.0%	2.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Losses and ALAE Paid:	117.54	154.79	101.17	60.81	41.70	26.81	15.64	11.76	11.47	11.47	12.62	12.74	12.74	6.95	6.37	6.37	6.37	6.37	6.37	6.37
Loss and ALAE Reserves:	461.49	364.67	263.50	202.69	160.99	134.18	118.54	106.79	95.32	83.85	71.23	58.49	45.75	38.80	32.43	26.06	19.69	13.32	6.95	0.58
Loss Reserve Discounting Factors (b):	0.8952	0.8684	0.8483	0.8421	0.8423	0.8595	0.8678	0.8831	0.9070	0.9242	0.9419	0.9600	0.9781	0.9807	0.9807	0.9807	0.9807	0.9807	0.9807	0.9807
Discounted Loss and ALAE Reserves:	413.13	316.66	223.52	170.67	135.60	115.32	102.88	94.30	86.45	77.50	67.09	56.15	44.75	38.05	31.80	25.56	19.31	13.06	6.82	0.57
Change in Loss and ALAE Reserves:	461.49	(96.82)	(101.17)	(60.81)	(41.70)	(26.81)	(15.64)	(11.76)	(11.47)	(11.47)	(12.62)	(12.74)	(12.74)	(6.95)	(6.37)	(6.37)	(6.37)	(6.37)	(6.37)	(6.37)
Change in Disct Loss and ALAE Rsv:	413.13	(96.47)	(93.14)	(52.84)	(35.07)	(20.28)	(12.45)	(8.57)	(7.85)	(8.95)	(10.41)	(10.94)	(11.40)	(6.70)	(6.25)	(6.25)	(6.25)	(6.25)	(6.25)	(6.25)
Change due to Discounting:	48.36	(0.35)	(8.03)	(7.97)	(6.62)	(6.53)	(3.19)	(3.18)	(3.62)	(2.52)	(2.22)	(1.80)	(1.34)	(0.25)	(0.12)	(0.12)	(0.12)	(0.12)	(0.12)	(0.12)

Written, Earned, and Collected Premiums	Base	Adj (c)																		
Written Premium	1,000	966																		
Written Premium																				
Percent Written	90.9%	9.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
$ - Base	909	91	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
$ - Adjusted	878.1721	87.91382	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Earned Premium																				
Percent Earned	90.9%	9.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
$ - Base	909	91	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
$ - Adjusted	878.1721	87.91382	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Collected Premium																				
% of Written Collected	90.9%	9.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
$ - Base	909	91	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
$ - Adjusted	878.1721	87.91382	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Policyholder Dividends																					
% Adj Earned Premium	1.6%																				
$ Incurred		0	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
% Paid		0.0%	97.5%	2.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
$ Paid		0	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

(a) Incurred Loss & ALAE ratio mulipplied by the adjusted earned premium.
(b) Discount factors are those distributed by the Internal Revenue Service.
(c) The adjusted premium represents the amount of premium necessary to achieve the target rate of return. This premium is determined through an iterative process.

Exhibit 5
Page 8

HARLEYSVILLE INSURANCE GROUP
INTERNAL RATE OF RETURN MODEL
Projected Expenses

Line Of Business: Workers Compensation
State: CW

Year after policy inception:		01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20
Underwriting Expenses Incurred																					
Variable (a)																					
Commissions	7.30%	64.11	6.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contingent Comm	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Taxes/Lic/Fees	2.40%	21.08	2.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
O/A & General	3.65%	32.05	3.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ULAE	2.60%	22.83	2.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Residual Market	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other U/W Expense	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Variable	15.95%	140.07	14.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fixed (b)																					
Taxes	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
O/A & General	10.95%	109.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ULAE	7.80%	78.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other U/W Expense	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Fixed	18.75%	187.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Expenses Incurred		327.57	14.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Underwriting Expenses Paid																					
U/W Expenses Payout		0.95	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ULAE Payout Pattern		0.55	0.17	0.08	0.05	0.03	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.00	0.01	0.01	0.01	0.01	0.01	0.01
Variable																					
Commissions (c)		64.11	6.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Contingent Comm (d)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Taxes/Lic/Fees		20.02	3.06	0.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
O/A & General		30.45	4.65	0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ULAE		12.59	5.22	2.11	1.20	0.82	0.53	0.31	0.23	0.23	0.23	0.25	0.25	0.25	0.14	0.13	0.13	0.13	0.13	0.13	0.13
Residual Market (d)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other U/W Expense		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Variable		127.17	19.35	2.37	1.20	0.82	0.53	0.31	0.23	0.23	0.23	0.25	0.25	0.25	0.14	0.13	0.13	0.13	0.13	0.13	0.13
Fixed																					
Taxes		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
O/A & General		104.03	5.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ULAE		43.02	13.53	5.85	3.51	2.46	1.56	0.90	0.70	0.70	0.70	0.78	0.78	0.78	0.39	0.39	0.39	0.39	0.39	0.39	0.39
Other U/W Expense		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Fixed		147.04	19.01	5.85	3.51	2.46	1.56	0.90	0.70	0.70	0.70	0.78	0.78	0.78	0.39	0.39	0.39	0.39	0.39	0.39	0.39
Total Expenses Paid		274.21	38.36	8.22	4.71	3.28	2.09	1.21	0.93	0.93	0.93	1.03	1.03	1.03	0.53	0.52	0.52	0.52	0.52	0.52	0.52

(a) Variable expenses are related to the adjusted premium.
(b) Fixed expenses are related to the base premium.
(c) Incurred Commissions are paid in proportion to the ratio of collected to written premiums .
(d) Contingent Commissions and Residual Market costs are assumed to be paid in the year after such expenses are incurred.

Exhibit 5
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